PLANNING, POLICY & GOVERNMENTAL AFFAIRS
APRIL 17-18, 2008

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SUBJECT

President's Council Report.

APPLICABLE STATUTE, RULE, OR POLICY

N/A

BACKGROUND

Monthly report given by the President of the President's Council.

STAFF COMMENTS AND RECOMMENDATIONS

State Board staff offers no comments or recommendations

BOARD ACTION

This item is for informational purposes only. Any action will be at the Board's discretion.

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SUBJECT

University of Idaho Progress Report

BACKGROUND

Periodically, the institutions of higher education in the State of Idaho are requested to provide a progress report to the members of the State Board of Education. It has been about one year since University of Idaho has supplied an overview of its status and accomplishments.

DISCUSSION

Dr. Timothy White, President of University of Idaho, will be in attendance at the meeting and present a summary of the accomplishments and future goals of the university.

IMPACT

President White's presentation will provide the State Board members and others with current status information about University of Idaho.

STAFF COMMENTS AND RECOMMENDATIONS

No staff comments or recommendations are needed at this time.

BOARD ACTION

This item is for informational purposes only. Any action will be at the Board's discretion.

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SUBJECT

State Division of Professional Technical Education Progress Report (PTE)

BACKGROUND

In an effort to allow the agencies under the authority of the State Board of Education an opportunity to present to the State Board of Education on a more regular basis, one of the agencies will be making a presentation before the Board at each meeting. This report will be a progress report and an opportunity for the agency to supply and overview of its status and accomplishments.

DISCUSSION

Ann Stephens, Associate Administrator of the Division of Professional Technical Education (PTE), will be in attendance at the meeting and present a summary of the accomplishments and future goals of PTE.

IMPACT

Mrs. Stephens presentation will provide the State Board members and others with current status information about PTE.

ATTACHMENTS

Attachment 1 – PTE Fact Sheet Page 3

STAFF COMMENTS AND RECOMMENDATIONS

No staff comments or recommendations are needed at this time.

BOARD ACTION

This item is for informational purposes only. Any action will be at the Board's discretion.

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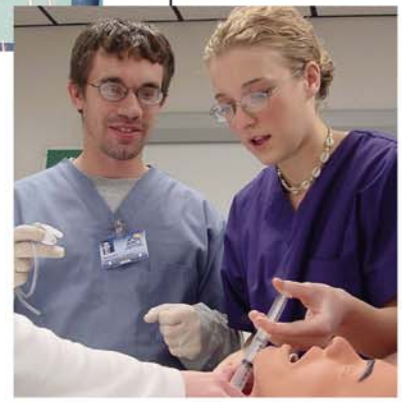
Professional-Technical Education

The mission of Idaho Professional-Technical Education is to provide youth and adults with the technical skills, knowledge, and attitudes necessary for successful performance in a highly effective workplace.

- In the past ten years, high school enrollment in Professional-Technical Education increased 34%, while general enrollment increased six percent.
- Professional-Technical Education has 766 programs in 109 Idaho school districts. Nearly all of Idaho's high school students enrolled in at least one professional-technical course in 2007.
- Professional-Technical Education course offerings include 23 classes that can count for science credit, 4 classes that can count for economics credit, and 3 classes that can count for health credit. That's a "two-for-one" savings in time, money, and resources for Idaho's students, teachers, and taxpayers.
- Students in PTE's Tech Prep programs earn college credit for high school classes. Tech Prep credits earned in 2007 equaled a cost savings of $1,529,319 for Idaho students. Enrollment in Tech Prep programs increased from 1,620 students in 1999 to 10,071 in 2007.

- Sixty percent of PTE students who finished high school went on to college, compared to 44% of non-PTE students.
- Ninety-four percent of high school and 95% of technical college professional-technical education completers in Idaho successfully found jobs or continued their education.
- In a 2006 Idaho Public Policy Survey, 91% of the respondents agreed that high school students should be offered more opportunities to take classes for a specific career. Eighty-seven percent agreed more technical college programs are needed.

- In FY2007 over 8,500 full and part-time students enrolled in technical college degree or certificate programs.
- The Centers for New Directions, located on each of the technical college campuses, served 758 single parents and displaced homemakers in 2007.
- In 2007 Idaho technical colleges assisted 43,678 adult Idahoans in improving their job skills. Of those, 37,358 were in short-term training with an additional 6,320 enrolled in Fire Service and Hazardous Materials Training.



January 2008

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SUBJECT

Legislative Update

DISCUSSION

Legislative items from the 2008 legislative session that passed include:

EDUCATION: COLLEGES AND UNIVERSITIES

- H 385aa – Extends to nonresident members and officers of the Idaho National Guard the opportunity to attend the state's universities and colleges at resident student rates.
- H 399 – Increases the maximum tuition or community college tuition cap for full-time students to $2,500 per year. Increase may not exceed 10% per year.
- H 400 – Increases distribution from liquor revenues to community colleges from $300,000 to $600,000.
- H 401 – Clarifies and strengthens requirements for obtaining residency in Idaho for the purpose of qualifying for resident fees at the state's postsecondary institutions.
- S 1407 – Provides scholarships for dependents of Idaho citizens or military service members deployed from Idaho who are totally and permanently disabled from any employment as a result of injuries incurred while engaged in an armed conflict in which the United States is a party.
- S 1476 – Provides $10 million for the Opportunity Scholarship endowment fund. Also provides $2.0 million for immediate distribution/awards in the upcoming academic year.
- S 1441- Allows the State Board to continue to regulate concealed weapons on Idaho public colleges/universities. Adds to and repeals existing law relating to uniformity of firearms regulation.
- SCR 136- Facilitates the agreed transfer of part of the Boise State University West Campus in Nampa, Idaho, to the College of Western Idaho; and approves the continued bond payments by the Idaho State Building Authority.

EDUCATION: PUBLIC SCHOOLS

- H 382aa, aaS – Clarifies where and when a registered adult sex offender may enter properties used by a school.
- H 397aaS - Specifies fiscal soundness as a ground for revoking the charter of a public charter school.
- H 502 – Provides for relocation of public charter school facilities to another school district if the approved primary attendance area of the public charter school is located within more than one school district.
- H 543aa – Establishes the Idaho Education Network, a coordinated, statewide telecommunications distribution system to facilitate distance learning.
- H 552 – Provides that the Idaho Digital Learning Academy will operate as a governmental entity whose creation has been authorized by the state.

- H 554 – Requires that a complete and cataloged library of all curricular materials, including electronic materials, adopted and used in Idaho public schools be maintained and open to the public for three years of material.
- H 566aaS – Expands criminal background checks in public schools to cover anyone with unsupervised contact with students and requires that background checks for new employees be performed within five days of employment.
- H 567 – Includes the Idaho Digital Learning Academy within the definition of “educational institution” for sales tax purposes.
- H 669 – Provides base salary and minimum salary increases for teachers and an increase in moneys for classroom supplies.
- H 670 – Increases public school classified employee base salaries, provides continued funding for classroom technology, textbook and software funding, and continues funding for the Rural Schools Task Force.
- H 672 – Continues funding for ISAT [Idaho Standards Achievement Test] remediation, and provides new funding for a statewide math initiative and a task force to develop a plan for concurrent secondary/postsecondary courses for qualifying high school juniors and seniors.
- S 1428 – Permits the State Department of Education to withhold all or a portion of a school district's November 15th distribution from the public school income fund for failure to timely provide the department with a copy of the audit of the district’s financial statements.
- S 1443 – Allows students to carry and self-administer their prescription medications to treat anaphylactic allergic reactions.
- Senate Education Committee made recommendations for realigning responsibilities between the Board and Department of Education.

Appropriation items passed in the 2008 session include:

- OSBE BUDGET
  - $144,100 in inflationary adjustment monies for the ISAT.
  - MCO budget for OSBE, no reductions in staff levels or funding

- HIGHER EDUCATION
  - 6.6% increase in funding
  - “One time monies” bring total funding increase to 7.92%
  - Funding for further work on medical education
  - $5 million to CWI, a continuation of the “start up monies” provided in the FY08 budget.

LEGISLATIVE SET BACKS:

- Supt. Luna’s $3.5 million request to help pay for high school concurrent enrollment was not included in his public school budget.
- H 384 which would have provided for the creation and operation of the Higher Education Facilities Matching Fund and require matching funds raised from non-state sources-- failed on the Senate floor after passing the House.

- S1408aa Proprietary Schools. This bill was held in the House Education Committee for most of the session, then it was reintroduced on the Senate side where it eventually passed out of committee and the floor- only to be held in the House Ed Committee through the end of the session. The bill would have updated and clarified classifications for proprietary schools in Idaho, and provide for a different mechanism for the tuition recovery fund.
- Public School Boundaries. This legislation was pulled before it was introduced in committee as OSBE staff found inconsistencies with SDE staff support and recommendations.

ATTACHMENTS

Attachment 1 – Review of '07 Legislative Session Page 5

BOARD ACTION

This item is for informational purposes only. Any action will be at the Board's discretion.

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THE 2008 LEGISLATIVE SESSION IN REVIEW:

Overall, it was a session with mixed results for education in Idaho. Higher Education did see an increase in funding as did K-12 but overall, we saw much more criticism and resistance to our initiatives as a result of backlash from the ISAT and GEARUP challenges.

The OSBE budget was funded at maintenance and operation levels but did include a welcome $144,100 inflationary adjustment to help offset the costs of the ISAT contract.

Higher Education saw changes to benefits for Idaho National Guard members. Now members of the Idaho Guard who live out of state can attend Idaho institutions as residents of Idaho. Dependents of Military who are deployed from Idaho who are totally and permanently disabled are now eligible for a full scholarship.

The Opportunity Scholarship saw an additional $10 million added to its endowment. The Legislature also appropriated $2 million for award distribution in the coming academic year. This past year, OSBE staff established a framework for criteria, selection and distribution for the first round of awards of the Opportunity Scholarship. Nearly 700 Idahoans received an Opportunity Scholarship ranging from $300 to $3,000, with the average falling close to $3,000. This is very good news as it indicates that the most needy and deserving students are getting the awards. The Legislature also authorized the disbursement of the earnings of the endowment in next year's round of awards. That sum is estimated to be somewhere in the neighborhood of $300,000.

Residency requirements were strengthened as a result of the passage of H 401. Idaho's community colleges now share three-ways in $600,000 of liquor monies. Previously $300,000 was split between two schools. House Bill 399 also raised the ceiling on what community colleges can charge for tuition/fees. The cap was raised from $1,250 to $2,500. Community Colleges can raise fees/tuition no more than 10% a year.

K-12

While most of the emphasis and attention was focused on Superintendent Luna's iStars plan, there was a substantial amount of work going on in other areas of secondary education in Idaho during this session. Some of the highlights include: a raise in the base pay for teachers and continuation of the Superintendent's Classroom Enhancement Package, with $350 going to teachers for classroom supplies.

There was clarification and strengthening of criminal background checks for unsupervised workers, including where and when a registered sex offender may enter properties used by a school.

The establishment of the Idaho Education Network sets forth a framework to link all schools in Idaho through a telecommunications distribution network to help facilitate distance learning. The Idaho Digital Learning Academy is now its own standalone state agency, which reports to SDE directly rather than the Blaine County School District. This gives IDLA the status it has earned over its years of existence and growth.

SDE now has a significant enforcement tool to encourage districts to submit their required audits in a timely fashion. S 1428 allows SDE to withhold all or a portion of the November 15th distribution from districts who do not submit their required audits.

Funding was also provided for the continued development and implementation of the Math Initiative.

As mentioned earlier, there were some set backs to SBOE initiatives during this session. We were unable to garner support for vision testing in early elementary grades. Superintendent Luna's request for $3.5 million to help fund concurrent enrollment failed to get out of JFAC for a second year in a row. The proprietary schools bill that clarifies and creates a new classification of proprietary school as well as changes the mechanism for the tuition recovery fund did not pass the House after making it through the Senate.

We encountered many detractors, many people with multiple and varied ideas as to how and what we should do to improve our daily operations. We have smiled, thanked each and every one, noted their ideas and continue to welcome input as we are endlessly committed to the very best level of customer service possible.

The Senate Education Committee in particular had a number of suggestions. Those have been detailed in a letter, addressed to the Governor.

SUBJECT

Proposal on Adequate Yearly Progress (AYP) from the Idaho Association of School Administrators

BACKGROUND

The Idaho Association of School Administrators (IASA) has requested the opportunity to discuss the two versions of the Idaho Standards Achievement Test (ISAT) and the impact of using both versions on AYP.

Idaho is required as a condition of receiving Federal educational funds to adhere to the accountability requirements codified in the Elementary and Secondary Education Act (Public Law 107-110) (commonly referred to as No Child Left Behind). One of those requirements is that schools make adequate yearly progress based on a test chosen by Idaho and validated by the Federal government. The original test chosen by Idaho was determined through the Peer Review process to not be a valid measurement tool. Idaho was subsequently fined $100,000 and required to start over in developing an assessment that was reliable and valid and aligned to Idaho Content Standards. Idaho did so and developed a test that passed rigorous evaluations and was approved by the Federal government. Idaho, however, continued to use the old performance test scores for the determination of AYP. The state did go through a process to equate the old test scores with the new test. At the time there was discussion as to whether Idaho should start over using only the new test for AYP. A determination was made not to do so.

USDE requires that all schools and districts be 100% proficient by 2014. The current incremental yearly increase in Idaho's Accountability Workbook requires Idaho schools and districts to reach the 100% target by 2013. The Office of the State Board submitted a request in March 2008 to see if the Feds would consider allowing Idaho to freeze the target set for 2008 for an additional year to allow schools to adjust to the new standards and a new test first administered in spring 2007. A decision is expected from the Peer Review Committee at the US Department of Education in May. The Board would then be asked to approve the adjustment.

DISCUSSION

IASA is requesting that the Office of the State Board or Education request a change in the *Consolidated State Application Accountability Workbook* for State Grants under Title IX, Part C, Section 9302 of the Elementary and Secondary Education Act (Public Law 107-110). This document describes, in detail, the accountability model that Idaho has submitted to the US Department of Education to document the rules that Idaho will use at the school and district levels for determining adequate yearly progress (AYP).

The IASA is requesting that we ask the US Department of Education to amend the Accountability Workbook to allow Idaho to start over with AYP determinations based on the 2007 administration of the Idaho Standards Achievement Tests (ISAT). Their argument is based on the fact that since the previous test did not pass Peer Review, it seems incongruous to continue with the progressive AYP designations for schools and districts that were evaluated using that tool. IASA requests that we begin anew with the 2007 ISAT administration and hold schools and districts fully accountable using the ISAT that has full approval (November 2006) from the Peer Review Committee.

IMPACT

If the amendment is approved by the US Department of Education, the recalculation would result in re-setting the AYP determinations for many schools and districts. Idaho is currently in year 6 of the improvement process. Using only 2007 and 2008 ISAT results would effectively move all Idaho schools and districts to year 2 of the process. ISAT 2007 results would establish a baseline and the Annual Measurable Goals would be reset to reach 100% proficiency by 2014. Since it takes 2 years of not meeting AYP to receive *school improvement* designation, no Idaho schools would be in *school improvement* status.

If the amendment is not approved, schools and districts would continue with the status quo.

ATTACHMENTS

Attachment 1: Fact sheet for Idaho Schools and AYP Page 3

STAFF COMMENTS AND RECOMMENDATIONS

The process for requesting an amendment to the accountability workbook will require staff to prepare an amendment with supporting documentation and present the request to the US Department of Education for consideration. The Idaho Accountability Workbook is submitted for review in March of each year. It may be possible to ask for special consideration of this request and submit the request before March 2009.

There may be sufficient evidence that the previous ISAT was sufficiently lacking in technical quality and alignment to Idaho Content Standards to convince the Feds that Idaho needs to start with the new test.

Staff has no prediction about the possibility of having this amendment approved. We have no encouraging or discouraging precedents to cite.

BOARD ACTION

Motion: (if desired) That the Board direct staff to ask for restarting the clock on Adequate Yearly Progress determination using the 2007 Idaho Standards Achievement Tests administration as the baseline.

Moved by __________ Seconded by __________ Carried Yes _____ No _____

Quick Facts about Idaho's Adequate Yearly Progress 2006-2007

SCHOOLS

- 626 schools received AYP determinations
- 168 (27 percent) made AYP
- 458 schools (73 percent) did not make AYP
- Of the 458 schools that did not make AYP:
    - 254 are on Alert (first year of not making AYP)
    - 61 are in Improvement Year 1 status (two years of not making AYP). This includes 2 schools that were in Improvement Year 1 last year, but made AYP this year
    - 100 are in Improvement Year 2 status (three years of not making AYP).
    - 12 are in Improvement Year 3 status (four years of not making AYP). This includes 1 school that was in Improvement Year 3 last year, but made AYP this year
    - 31 are in Improvement Year 4 status (five years not making AYP)
- There are no schools in Improvement Year 5-6 status

DISTRICTS

- 126 districts received AYP determination
- 35 (28 percent) made AYP
- 91 districts/local education agencies (72 percent) did not make AYP
- Of the 91 districts/local education agencies that did not make AYP:
    - 27 are on Alert (first year of not making AYP)
    - 8 are in Improvement Year 1 status (two years of not making AYP). This includes 1 school that was in Improvement Year 1 last year, but made AYP this year
    - 35 are in Improvement Year 2 status (three years of not making AYP).
    - No districts are in Improvement Year 3 status (four years of not making AYP)
    - 21 are in Improvement Year 4 status (four year of not making AYP)
- There are no districts in Improvement Year 5 or 6 status

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SUBJECT

University of Idaho Retirement Program Issues

REFERENCE

December 2007	Board received "notice of claims for damages" regarding the University of Idaho "Early Retirement Incentive Program" (ERIP) and "Voluntary Separation and Retirement Opportunity Program" (VSROP)

BACKGROUND

Senator Gary Schroeder and Representative Trail have requested that the State Board of Education look at issues related to the University of Idaho "Early Retirement Incentive Program" (ERIP) and "Voluntary Separation and Retirement Opportunity Program" (VSROP)

Dr. Earl Bennett has submitted a packet of materials (see attached) and has requested the opportunity to address the Board. These materials address issues raised on behalf of approximately 270 retired faculty and staff of the University of Idaho who retired under these programs.

The concerns arise from changes to the existing health and life insurance benefits made by the University effective July 1, 2007. These changes were the result of recommendations from the University's Retiree Health and Life Insurance Task Force and applied to all University retirees as well as to the retirement benefits of current employees.

In general terms, the revised health care options for retirees offered the choice of a high annual deductible plan with no monthly payment for health care, or a plan that includes a monthly premium payment with a lower annual deductible. Before the changes, the university offered a lower annual deductible plan without a monthly premium to the retirees. The revised life insurance benefit includes a $10,000 life insurance policy furnished by the University and the option to transfer (port) existing higher life insurance benefits to the retiree who would then be responsible for the premiums. Before the changes, life insurance was provided by the University in amounts based on a percent of salary at retirement.

Attorneys representing four individual retirees have filed a notice of claim with the Idaho Secretary of State alleging that the University could not change the insurance benefits for the ERIP and VSROP retirees and that in doing so the university has breached the terms of those agreements. The claim was filed for the four individual retirees as well as all persons (the "Class") who retired under the VSROP and ERIP programs. Filing of the notice of claim is a precursor to filing suit against the University.

The two presenters, Earl Bennett and Jeff Harkins, are not among the four named retirees in the notice of claim.

ATTACHMENTS

Attachment 1 – Letter from Senator Schroeder	Page 3
Attachment 2 – Request from Representative Trail	Page 5
Attachment 3 – Material Submitted by Earl Bennett	Page 16

BOARD ACTION

This item is for informational purposes only. Any action will be at the Board's discretion.

GARY J. SCHROEDER
DISTRICT 6
LATAH COUNTY

HOME ADDRESS
1289 HIGHLAND
MOSCOW, IDAHO 83843
(208) 882-9092
FAX: (208) 882-5715

BUSINESS ADDRESS
P.O. BOX 8918
MOSCOW, IDAHO 83843
E-MAIL: GARY@HIDEANDFUR.COM

OFFICE ADDRESS
P.O. BOX 83720
BOISE, IDAHO 83720-0081
(208) 332-1324
FAX: (208) 332-1422

Idaho State Senate

SENATOR GARY J. SCHROEDER

CHAIRMAN - RESOURCES AND ENVIRONMENT COMMITTEE

January 29, 2008

Mike Rush
Executive Director
Idaho State Board of Education
650 W. State Street
Box 83720
Boise, Idaho 83720-0037

Dear Mr. Rush:

Dr. Earl Bennett recently delivered to your office information on the dispute between the Early Retirees and the current administration of the University of Idaho on the issue of contractual health and insurance benefits.

It is my understanding that there is a desire to avoid the possibility of a future lawsuit on this issue.

I would appreciate any assistance your office and the Idaho State Board of Education can provide in resolving this issue.

Sincerely,

Gary J. Schroeder
IDAHO SENATE

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JAN 30 2008
OFFICE OF THE IDAHO
STATE BOARD OF EDUCATION

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January 28, 2008

To: Mike Rush, Executive Director
Idaho State Board of Education

From: Rep. Tom Trail Rep Tom Trail

Subj: University of Idaho Retirees Claims of Breach of Promise Concerning Medical Insurance

Mike, I brought this subject to your attention last week at our meeting. There are several hundred U. of Idaho retirees who vigorously claim that medical insurance promises made by administration were broken once they retired. The group affected has been meeting for several years and has tried to resolve their situation with the University. The group feels that no progress has been made so they have filed a tort claim against the University. It is probable that a class action suit might come out of this action.

My understanding is that the group submitted their claims and documentation to Karen McGee, former Executive Director, late last spring or early summer. I'm not certain of what action was taken at that time or if it was simply buried in a desk drawer. I know that Dr. Earl Bennett brought by some documentation to your office not too long ago pertaining to the case.

I'd like to ask you and the Board to relook at this issue.

I've attached a number of letters from the affected retirees. This case reflects on the promises and credibility of the University.

Cc: Sen. Gary Schroeder
Earl Bennett

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Tom Trail - Rerirees' benefits

From: "Donna Hanson" <donnahanson@pullman.com>
To: <Ttrail@house.idaho.gov>
Date: 1/25/2008 8:50 PM
Subject: Rerirees' benefits

Mr. Trail,

Thanks for the steps that you have taken in support of the UI retirees who are being mistreated by the UI Administration. I am a UI retiree who retired the same year as one group who are affected by the University Administration's actions. I am not affected directly by these actions but I fully support the retirees who are taking their complaints to court. These folks were promised something in exchange for taking early retirement and the University should stand behind their promises.

It is hard to believe that the University administration doesn't seem to realize the harm they are doing to the University across the state by these actions. Their refusal to recognize the legitimacy of the complaint by the retirees who are affected should make everyone in the state wonder if their word can be trusted in other situations.

Donna M. Hanson
Professor and Science Librarian Emerita

Tom Trail

From: PAT TREVINO <trevino3839@hotmail.com>
To: <ttrail@house.idaho.gov>
Date: 1/25/2008 10:01 PM

Tom

Thanks for all your help re UI retirees. I'm sure we all appreciate your efforts on our behalf.

Pat Trevino

Many people will walk in and out of your life, but only true friends will leave footprints in your heart.

From: Jim Morris <jamesmo@uidaho.edu>
To: <Ttrail@house.idaho.gov>
Date: 1/26/2008 5:20:24 PM
Subject: Assistance with U.I. Retirees

Hi Tom'

I wanted to write and thank you for your interest in the plight of the retirees in regard to changes made in the University support of their health insurance. I worked at the University for 37 years full-time and 3 years part-time after taking the early retirement in 2004. I was always given to understand that our health insurance would be covered by the University throughout our lives. I retired as having been Director of the Counseling Center and Professor for many years.

Thank you again for any support you may give in this matter.

Jim Morris

Tom Trail - UI Retirees Heath Insurance

From: "Sandy Dennis" <sandy-d@moscow.com>
To: <Ttrail@house.idaho.gov>
Date: 1/27/2008 1:22 PM
Subject: UI Retirees Heath Insurance

Tom,

Thank you for taking an interest in the UI Retirees health insurance issue. I don't know about anyone else but I was promised paid health benefits when I was hired and again when I was part of the 2002 buy out. I am very thankful for all the hard work Harvey, Wileen and the others are putting into this issue. I know that one voice does not carry much weight but when the group stands together it might make a difference. I thank each and everyone of you for all the time and effort you have put towards this issue.

Sandy Dennis

From: Jim Morris <jamesmo@uidaho.edu>
To: <Ttrail@house.idaho.gov>
Date: 1/26/2008 5:20:24 PM
Subject: Assistance with U.I. Retirees

Hi Tom'

I wanted to write and thank you for your interest in the plight of the retirees in regard to changes made in the University support of their health insurance. I worked at the University for 37 years full-time and 3 years part-time after taking the early retirement in 2004. I was always given to understand that our health insurance would be covered by the University throughout our lives. I retired as having been Director of the Counseling Center and Professor for many years.

Thank you again for any support you may give in this matter.

Jim Morris

Tom Trail - UI Retiree Benefits

From: "Larry Hunter" <lhunter@uidaho.edu>
To: <Ttrail@house.idaho.gov>
Date: 1/25/2008 9:49 AM
Subject: UI Retiree Benefits

Thank you for your interest and assistance. Hundreds of people are affected by what appears to be a clear violation of the contract for promised benefits, all of which were earned by the retirees and owed by the University prior to the current administration's financial problems. Most of us view the University's attempt to withdraw these benefits much the same as we would view them trying to make a withdrawal from our checking accounts. Thanks for any help you can give us. Larry Hunter, Director of IR Emeritus, University of Idaho

Tom Trail - U of I Promise to Retirees

From: "David Walker" <DWALKER@uidaho.edu>
To: <Ttrail@house.idaho.gov>
Date: 1/24/2008 7:00 PM
Subject: U of I Promise to Retirees

Dear Tom-
I am one of the retirees affected by the U of I decision to go back on their promise to provide health insurance. It seemed clear to me when I signed the contract to retire early that the University provided assurances that they would provide health insurance. This unfortunate decision will affect not only the retirees involved but also active employees who feel they cannot trust the administration. Thank you for your interest in our concerns and your efforts on our behalf. I have often noted your presence at retiree lunches and had the pleasure once of visiting with you at the table during one of those lunches. Thanks again, Tom, for your interest in our concerns. David Walker (Ag Econ)

Tom Trail - UI Breach of contract for retiree health & Life insurance

From: "John Hendee" <hendeejo@uidaho.edu>
To: "Tom Trail" <Ttrail@house.idaho.gov>
Date: 1/24/2008 6:01 PM
Subject: UI Breach of contract for retiree health & Life insurance
CC: "John Hendee" <hendeejo@uidaho.edu>

Dear Tom,
Thank you for taking an interest in the UI breach of contract for retiree health and life insurance.

It is very disappointing to have this action become a topic for political or Board of Education attention, because your/their work is demanding enough. I appreciate your interest and efforts on our behalf, but I truly hope that this issue will not go to court or become a political issue. I am so disappointed that UI would not honor written contracts, much less a longstanding policy for employees achieving the rule of 80.

There is an honorable way to resolve this by the University merely upholding their written agreements with the 270 retirees. Ultimately the question at stake is "Who can or can't you trust?

Thank you Tom for your interest and help in this matter. I'm no longer your direct constituent, having retired back to California where I spent my formative high school years, but I will always be a Vandal, and I want to be a proud one.

Sincerely,
Dr. John C. Hendee,
Emeritus Professor; Dean retired
UI College of Natural Resources
70 Rodeo Ave.
Sausalito, CA 94965
415-332-9558

From: <rhahn121@ncplus.net>
To: <Ttrail@house.idaho.gov>
Date: 1/24/2008 4:22:26 PM
Subject: Thank you for actions on regarding of UI retirees lawsuite

I am Richard Hahn, UI retiree, now living with my wife Carol, also a UI retiree, in Anacortes, Washington. Wileen Anderson informed us of your actions regarding the UI retirees lawsuit. If this matter becomes a class action, Carol and I will certainly be joining our fellow retirees.

We both spent the bulk of our careers at UI, and have been very loyal to the institution, but we agree that recent actions regarding out health and insurance benefits violate the commitment the University made to us and others.

Understanding that cost saving measures needed to be taken, we expected that they would be phased in over time by making a different contract with new employees, not by breaking the contract with those of us who had been promised continued coverage in exchange for the gains the University made by our agreeing to retire early.

Thank you very much for your interest and for the actions you have taken.

/s/ Richard and Carol Hahn

March 12, 2008

Mr. Mike Rush
Executive Director
Idaho State Board of Education
P.O. Box 83720
Boise, ID 83720-0037

Dear Mike,

It was nice to see you in Boise during the Moscow Chamber visit. Enclosed is the package that I sent to Dwight Johnson last May regarding the University of Idaho's (UI) retiree health/life insurance benefit package. After Dwight left, the document went to Jeff Chin and then to Karen MaGee. The cover letter went to Senator Gary Schroeder. I have attached a new Exhibit to the original document with copies of letters and articles from the local newspapers.

Our concern is focused on two groups of UI retirees (about 268 in all) who retired under the VSROP and ERIP programs. These retirees have signed contracts with UI regarding retiree benefits. The contracts state that the terms cannot be changed without written authorization by both the retiree and UI. Although anchored by VSROP/ERIP our discussion will include all of the UI retirees in the Emeriti/Honored Staff group. As changes to just the life insurance program have resulted in at least a $10 million reduction in retiree benefits, I believe it is important that the Board of Education consider this issue as the board approved both the ERIP and VSROP programs.

Missing from our original document was a discussion of the Government Accounting Standards Board (GASB) requirements that are driving retiree benefit changes. The UI has known about these standards since 1990 and has contracted for actuarial studies to project their liability since 1992. Dr. Jeff Harkins will be discussing the GASB standards as part of our presentation in April.

I want to thank you for putting us on the agenda for the April meeting in Moscow. Jeff and I would like about 30 minutes to discuss our concerns with the Board using Powerpoint. I would also appreciate notification about the approximate time for our presentation as I expect there will be a fair number of retirees at the meeting. Please email or call me if you have any questions or need more information.

Sincerely yours,

Earl

Earl H. Bennett
P.O. Box 157
Genesee, ID 83832
208-285-1354
bennett@uidaho.edu

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MAR 17 2008
OFFICE OF THE IDAHO
STATE BOARD OF EDUCATIC

March 16, 2007

Senator Gary J. Schroeder
Idaho State Legislature
State Capitol Building
P.O. Box 83720
Boise, ID 83720-0081

Dear Senator Schroeder,

In November the UI Retiree Task Force recommended major changes in retiree insurance benefits, including the initiation of charges for medical benefits[i] and the substantial elimination of life insurance.[ii] As you are aware, many retirees in the Early Retirement Incentive Program (ERIP) and Voluntary Separation/Retirement Opportunities Program (VSROP) believe these actions violate contract promises made by UI in order to secure their early retirement.[iii]

ERIP and VSROP contracts contain similar language assuring retirees' eligibility "for all benefits . . . (earned/offered) under existing University policy,"[iv] Retirees understand this language to promise they would receive the benefits which were offered at the time, i.e. fully paid medical insurance and a substantial life insurance benefit. In addition, materials distributed with the VSROP offer made repeated assurances that UI would pay for retirees' medical insurance[v] and the VSROP contract expressly states that VSROP benefits include "UI paid medical insurance." As a Dean I was urged to inform eligible employees under my supervision that paid health insurance, as it existed at the time, was indeed part of the ERIP and VSROP contracts.

On November 28, Harvey Neese, Arthur Smith, and I met with President White to explain the position of early retirees. We requested that the final plan reflect these obligations if he concluded we were right; if not, we requested UI explain why it was not contractually obligated.[vi] In early February President White announced a final decision which adds a new low-benefit policy available at no cost (Plan B) but makes no special provision for those with ERIP or VSROP contracts. On February 27, UI Counsel Kent Nelson explained UI's position on the ERIP and VSROP contracts.[vii] Apparently UI acknowledges that the contracts do promise medical and life insurance benefits; however, it asserts the authority to alter premiums and benefits at will as well as asserting that Plan B satisfies the promise of paid medical insurance. Although the ERIP/VSROP contracts require that changes to the contracts will be acknowledged in writing by both parties (ERIP, paragraph #11, VSROP, paragraph #12) UI believes that the proposed changes do not require these retirees' written agreement.

UI's position appears to me to render the contract terms rather hollow. It does not correspond with my understanding at the time and I cannot interpret "UI paid medical insurance" to be anything other than a promise that UI will pick up the cost of the policy as opposed to some scaled-down model offered after the fact.[viii] In any event, efforts to resolve this matter internally have run their course and I wish to take you up on your offer to submit the question of UI's contract obligations to ERIP and VSROP retirees to Idaho's Attorney General.

I would add this. Faculty and staff eligible for ERIP and VSROP programs were being encouraged to retire at the height of their careers and earning capacity. They had to assume a large and uncertain responsibility for spouses' medical benefits,[ix] and make decisions concerning pension pay-out options. Although the cash incentive for retiring early was undoubtedly important, insurance benefits were also a prime consideration. This is clear from the prominence these benefits were given in UI materials concerning these programs. While the UI now asserts that its contract language had a more limited purpose, this was not conveyed to retirees at the time, and retirees understandably relied upon the promise of continued UI paid benefits in arriving at their decisions to retire.

Sincerely yours,

Earl H. Bennett
University of Idaho
Professor Emeritus

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[i] Although the initial charge for existing retirees is a modest $30 per month, all future cost increases are to be borne by retirees. Recent cost sharing for retiree spouse benefits (see Exhibit 3, Questions and Answers, No. 26) resulted in a shift of all costs to retirees over the course of course of 3-4 years. Some fear UI may do likewise with retiree benefits despite current estimates of relatively moderate yearly increases.

[ii] Traditionally UI provided life insurance at retirement in the amount of a retiree's salary. This has been reduced to a $10,000 death benefit.

[iii] Attached as Exhibit No. 1 is a standard ERIP contract; Exhibit No. 2 is a standard VSROP contract; Exhibit No. 3 is a brief history of the ERIP and VSROP programs.

[iv] Paragraph III A ("Benefits"), p. 4, ERIP and VSROP contracts.

[v] Exhibit No. 4, "Questions and Answers" Nos. 2, 19, and 25.

[vi] A copy of our memorandum is attached as Exhibit 5.

[vii] A copy of Mr. Nelson's memorandum is attached as Exhibit 6.

[viii] Only the general policy was available at the time ERIP and VSROP contracts were signed (see Exhibit 3, Questions and Answers No. 25: "VSROP participants may only enroll only in the Traditional Indemnity Plan").

[ix] The cost of the UI medical plan for pre-medicare spouses, estimated at $2760 in 2002 (Exhibit 3, Questions and Answers No. 26), rose to $6700 in 2006. Precisely because they retired early, VSROP retirees face an extended period of such liability until they are medicare eligible.

LIST OF EXHIBITS **Page**

Exhibit No. 1. Early Retirement Incentive Program -Contract.

UNIVERSITY OF IDAHO
EARLY RETIREMENT INCENTIVE PROGRAM
AGREEMENT AND FULL AND FINAL RELEASE OF ALL CLAIMS

STAFF AND NON-TENURED FACULTY EMPLOYEES

I, HARVEY NEESE in consideration for the covenants and conditions contained herein and for other good and valuable consideration as more fully described below, hereby acknowledge and agree to the following terms and conditions of this University of Idaho Early Retirement Incentive Program Agreement and Full and Final Release of all Claims ("Agreement and Release"):

1. As of 6/25/99 ("Termination Date"), I will voluntarily retire from employment at the University of Idaho.

2. I am voluntarily electing to retire from employment with the University of Idaho in exchange for the benefits provided pursuant to the University of Idaho Early Retirement Incentive Program. These benefits include three payments each equaling 25% of my fiscal year 1999 gross salary, not including any one-time payments, as reflected by my salary agreement or letter. The first payment will be made on the first payday in July of 1999 with the other two payments made on the first payday in July 2000 and 2001, respectively. I understand that these benefits are subject to legally mandated federal and state tax withholdings and payroll taxes and deductions, and hereby consent to such withholdings.

3. I understand that the benefits paid pursuant to the University of Idaho Early Retirement Incentive Program are being paid by the University as consideration for my signing and complying with this Agreement and Release, and that such benefits are benefits to which I would not have been entitled had I not signed this Agreement and Release. I further understand that I will continue to be eligible for all other retirement benefits I have earned under existing University of Idaho policy.

4. I understand that pursuant to the Older Workers' Benefit Protection Act of 1990 and the Age Discrimination in Employment Act, I have the right to consult with an attorney before signing this Agreement and Release, and I have been advised by the University of Idaho to do so. I acknowledge that Exhibit A to this Agreement and Release is a copy of the University of Idaho Early Retirement Incentive Program, which describes those individuals covered by the program, eligibility factors for the program and any time limits applicable to the program. Exhibit B includes a list of the number of employees, by age, in my employment group who are eligible and who are not eligible to elect to receive benefits pursuant to the University of Idaho Early Retirement Incentive Program.

5. I understand that I have forty-five (45) days from my receipt of this Agreement, or until January 29, 1999, whichever is later, in which to consider and accept this Agreement and

Release. Further, upon my execution of the Agreement and Release I have a period of seven (7) days to revoke the Agreement and Release. If I should choose to revoke the Agreement and Release, I understand I must give written notice of revocation, by hand delivery, or by registered or certified mail, postage and fees prepaid to: Sylva Staab, Director, Human Resource Services, University of Idaho, Moscow, ID 83844-4332.

If mailed, a notice of revocation shall be deemed effective at the time it is mailed. If delivered, a notice of revocation shall be deemed effective when delivered. This Agreement and Release shall not become effective or enforceable until the revocation period has expired. If I give notice of revocation during the revocation period, this Agreement and Release shall become null and void and all rights and claims of both the University of Idaho and me, which would have existed, but for the execution of this Agreement and Release, shall be restored.

6. On behalf of myself, my heirs, executors, administrators, successors and assigns, I release and discharge, to the full extent permitted by law, the State of Idaho, the University of Idaho, its successors, assigns, affiliates, regents, officers, representatives, agents and employees from any and all claims, including claims for attorneys' fees and costs, charges, actions and causes of action with respect to, arising out of, or in any way related to, my employment or the termination of my employment with the University of Idaho or any agreements relating thereto. This release includes, but is not limited to, any and all rights to file grievances with the University under the rules and policies of the University or the Regents of the University of Idaho, breach of contract claims, wrongful discharge claims, claims arising under federal or state laws prohibiting discrimination, including, but not limited to, Title VII of the Civil Rights Act of 1964, the Age Discrimination In Employment Act of 1967, as amended, the Americans With Disabilities Act of 1990, as amended, the Equal Pay Act, as amended, the Civil Rights Act of 1991, the Family And Medical Leave Act, the Idaho Human Rights Act and any other claims I may have under any of the laws governing discrimination in employment or related to wages or benefits. This paragraph is not intended to limit me from instituting legal action for the sole purpose of enforcing this Agreement and Release, or to pursue any rights or claims arising after the date I sign this Agreement and Release.

7. Nothing in this Agreement and Release prohibits me from filing a charge or complaint, including a challenge to the validity of this Agreement and Release with the Equal Employment Opportunity Commission (EEOC). Further, nothing in this Agreement and Release prohibits me from participating in any investigation or proceeding conducted by the EEOC.

8. I hereby represent that I have returned, or will immediately return to the University of Idaho, all University property, including, but not limited to, keys, the right to re-assign my office space, files, records, computer access codes, computer programs and any other property belonging to the University of Idaho.

9. I hereby acknowledge that I have entered into this Agreement and Release as a free and voluntary act in consultation with my own legal counsel and in the exercise of my own judgment, and that I have not entered into this Agreement and Release under the influence of or

in reliance upon any statement or representation made by the University of Idaho, or any attorney, representative, agent or other person acting for, through or on behalf of the University of Idaho.

10. I further acknowledge that I have not been coerced or threatened into signing this Agreement and Release and have not been promised anything else in exchange for signing this Agreement and Release. I have completely read and fully understand this Agreement and Release and its exhibits and voluntarily accept its terms. I represent and warrant that there exists no physical or mental condition known to me that would preclude me from executing this Agreement and Release.

11. I acknowledge that this Agreement and Release, including the exhibits hereto, constitute the entire agreement between the parties. Any agreement hereafter shall be ineffective to change, modify or discharge any of the terms and conditions of this Agreement and Release in whole or in part, unless such agreement is agreed to in writing and signed by all of the parties hereto.

12. In the event any suit, action or other proceeding arises under the terms of this Agreement and Release, or in connection with any of its provisions, the prevailing party shall be entitled to recover reasonable attorney fees and other costs incurred in that action or proceeding, in addition to any other relief to which it may be entitled, including any appeal thereof.

13. In the event that any one or more of the provisions contained in this Agreement and Release shall, for any reason, be held to be unenforceable in any respect under any applicable law, the other provisions shall remain fully valid and enforceable.

14. The construction, interpretation and performance of this Agreement and Release shall be governed by the laws of the State of Idaho.

H Wiese 1/14/99
Employee Date

Accepted by the University of Idaho by:

Jerry Wallace, Date
Vice President for Finance and Administration

Exhibit A

University of Idaho Early Retirement Incentive Program

I. Purpose

The purpose of the Early Retirement Incentive Program (ERIP) of the University of Idaho (UI) is to afford eligible faculty and staff who desire to retire an opportunity to do so with additional economic incentive. The program provides employees with financial assistance while providing the university the opportunity to prepare for changing workforce needs.

II. Policy Statement

A. Board appointed UI faculty and staff, whose appointments are for half-time or greater, and who meet one of the following requirements on or before July 1, 1999, are eligible for participation in the ERIP:

1. completion of 30 or more net years of service to the UI; or
2. completion of 15 net years of service to the UI and attainment of age 64; or
3. attainment of at least age 55 and completion of a number of years of service to the UI such that the sum of the years of age and the net years of service is 80.

"Net years of service" is calculated by determining the total period of service (date of first employment to date of termination) minus any periods of leave without pay and minus any periods when not actually employed by UI. An academic year employee who is paid over 12 months will be credited with 12 months of service for the purposes of making this calculation, consistent with the view taken by the Public Employee Retirement System of Idaho (PERSI).[1]

B. The ERIP is an "open window" offering a one-time opportunity to eligible faculty and staff. This program is not expected to become an on-going feature of UI benefits. The University will accept applications for participation in the ERIP between June 1, 1998, and December 1, 1998.

C. Faculty and staff in the following circumstances are not eligible for participation in the ERIP: Any person who has received, prior to the effective date of retirement, written notice of: a) termination; b) nonrenewal of contract; c) suspension with or without pay; or d) initiation of dismissal proceedings.

III. Benefits

A. All participants retiring under this program will continue to be eligible for all other retirement benefits they have earned under existing UI policy.

B. 1. An ERIP participant who agrees to retire on or after June 27, 1998, and on or before June 25, 1999, will receive three payments each equaling one-quarter (25%) of his or her fiscal year 1999 gross salary, not including any one-time payments, as reflected on his or her salary agreement or letter. The first payment will be made on the first payday in July of 1999, with the other two payments made on first payday in July 2000 and 2001 respectively (July 9, 1999, July 7, 2000, and July 6, 2001).

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[1] Idaho Code § 59-1302(33) "Service" means being shown on an employer's payroll as an employee receiving a salary. Service of fifteen (15) days or more during any calendar month shall be credited as one (1) month of service. Service of fourteen (14) days or less during any calendar month shall not be credited. No more than one (1) month of service shall be credited for all service in any month.

2. All payments are severance payments subject to income-related taxes when paid. However, receipt of payments following retirement does not make the ERIP participant eligible for employment related benefits such as accrual of annual leave, sick leave, retirement contributions or additional credit for length of service.

C. In choosing the effective date of retirement, participants are expected to work cooperatively with their department heads and deans to ensure the smooth transfer of on-going responsibilities to others. Faculty are expected to negotiate a retirement date that ensures the successful completion of obligations to students.

D. Participants will be required to sign an agreement and release signifying their agreement to abide by the terms of the ERIP and to release the University from certain types of legal liability.

E. Collection of PERSI retirement benefits prohibits employees from re-employment with UI for a period of ninety (90) days. This prohibition includes accepting a "guarantee" to be re-employed at the time of retirement. If an employee is re-employed by UI within ninety (90) days or has a promise to become re-employed at a date after ninety (90) days, PERSI will consider the employee to have continued as an employee and will seek reimbursement of any payments paid by the system to the retiree.[2]

IV. Procedures

A. The Director of Human Resource Services, Sylva Staab, will administer the ERIP. She may be reached by telephone at (208) 885-3609 or by electronic mail hrs@uidaho.edu. Information about the program will be available on the UI Human Resource Services Home Page at http://www.uidaho.edu/hrs.

B. Applications for participation in the program will be available from Human Resource Services beginning on May 15, 1998.

This plan was approved by the Regents of the University of Idaho on March 19,1998.

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[2] Idaho Code § 59-1356. Reemployment of retired members

(1) If an early retired member is reemployed with the same employer within ninety (90) days from retiring, or the early retired member is guaranteed reemployment with the same employer the member shall be considered to have continued in the status of an employee and not to have separated from service. Any retirement allowance payments received by the retired member shall be repaid to the system and the retirement shall be negated. The month of last contribution prior to the negated retirement and the month of initial contribution upon return to reemployment shall be considered consecutive months of contributions in the determination of an appropriate salary base period upon subsequent retirement.

(2) When a retired member meets the definition of an employee as defined in section 59-1302(14)(A)(a), Idaho Code, any benefit payable on behalf of such member shall terminate and any contributions payable by such member under sections 59-1331 through 59-1334, Idaho Code, shall again commence, except as provided in subsection (2). The terminated benefit, as adjusted pursuant to section 59-1355, Idaho Code, shall resume upon subsequent retirement, along with a separate allowance computed with respect to only that salary and service credited during the period of reemployment.

(3) If a retired member again becomes employed and an employer certifies to the board that the member does not qualify as an employee as defined in this section and section 59-1302(14)(A)(a), Idaho Code, no contributions shall be made by the member or employer during such reemployment and any benefit payable on behalf of such member shall continue.

(4) For purposes of this section, "same employer" means the employer for which the retired member last worked prior to retirement.

Exhibit B
Early Retirement Incentive Program
Agreement and Full and Final Release of All Claims

The information on this page is being furnished in compliance with the Older Workers' Benefit Protection Act of 1990. The individuals eligible to elect to receive benefits pursuant to the University of Idaho Early Retirement Incentive Program are those employees of the University of Idaho (UI) who on or before July 1, 1999, have completed thirty (30) or more net years of service to the UI; or have completed 15 net years of service to UI and attainment of age 64; or have attained at least age 55 and completed a number of years of service to UI such that the sum of the years of age and the net years of service is at least 80, and who have not, prior to July 1, 1999, received written notice of: (a) termination; (b) nonrenewal of contract; (c) suspension with or without pay; or (d) initiation of dismissal proceedings. The University of Idaho Early Retirement Incentive Program is an "open window" offering of a one-time opportunity to eligible faculty and staff. The attached table lists by age the number of individuals who are eligible and those who are not eligible to elect to receive benefits pursuant to the University of Idaho Early Retirement Incentive Program, in your employment group.

Exhibit No. 2. Voluntary Separation and Retirement Opportunity Program- Contract.

UNIVERSITY OF IDAHO
VOLUNTARY SEPARATION AND RETIREMENT OPPORTUNITIES PROGRAM AGREEMENT AND FULL AND FINAL RELEASE OF ALL CLAIMS

TENURED FACULTY AND ADMININSTRATORS WITH FACULTY TENURE

In consideration of the covenants and conditions contained herein and for other good and valuable consideration as more fully described below, I hereby acknowledge and agree to the following terms and conditions of this University of Idaho Voluntary Separation and Retirement Opportunities Program (VSROP) Agreement and Full and Final Release of all Claims ("Agreement and Release"):

1. As of the "Termination Date" listed on the signature page of this Agreement, I will voluntarily retire or resign from employment with the University of Idaho and will not seek re-employment with the University for a period of at least ninety (90) days. I understand that I will relinquish my tenure at the UI as of the Termination Date, as would any other faculty member who resigns or retires.

2. I am voluntarily electing to retire or resign from employment as a tenured member of the faculty at the University of Idaho in exchange for the benefits provided pursuant to the VSROP.

a. If my termination date is on or before June 22, 2002, I will receive a cash incentive amount equal to one bi-week of FY02 base salary for each year of service to UI up to twenty-six (26) bi-weeks. Years of service are calculated as of September 1, 2002. The cash incentive is based upon the salary reflected on the FY02 base salary agreement or letter. It does not include any one-time or other payments (overload, summer salary, and overtime) made in FY02. The cash incentive will be paid in three equal installments on July 20, 2002, July 19, 2003, and July 3, 2004.

b. If my termination date is after June 22, 2002 but on or before June 21, 2003, I will receive a cash incentive equaling two-thirds of the amount equal to one bi-week of FY02 salary for every year of service to UI up to twenty-six (26) bi-weeks. Years of service are calculated as of September 1, 2002. The cash incentive is based upon the salary reflected on the FY02 base salary agreement or letter. It does not include any one-time or other payments (overload, summer salary, and overtime) made in FY02. The cash incentive will be paid in two equal installments on July 19, 2003, and July 3, 2004.

c. I understand that these benefits are subject to federal and state tax withholdings and payroll taxes and deductions, and hereby consent to such withholdings, taxes, and deductions.

3. I understand that the benefits paid pursuant to the VSROP are being paid by the University as consideration for my signing and complying with this Agreement and Release, and that such benefits are benefits to which I would not have been entitled had I not signed this Agreement and Release.

4. I understand that pursuant to the Older Workers' Benefit Protection Act of 1990 and the Age Discrimination in Employment Act, I have the right to consult with an attorney before signing this Agreement and Release, and I have been advised by the University of Idaho to do so. I acknowledge that Exhibit A to this Agreement and Release is a copy of the VSROP that

describes those individuals covered by the VSROP, eligibility factors for the VSROP and any time limits applicable to the VSROP. Exhibit B includes a list of the number of employees, by age, in my employment group who are eligible and who are not eligible to elect to receive benefits pursuant to the VSROP.

5. I understand that I have forty-five (45) days from my receipt of this Agreement, or until April 2, 2002, whichever is later, in which to consider and accept this Agreement and Release. Further, upon my execution of the Agreement and Release I have a period of seven (7) days to revoke the Agreement and Release. If I should choose to revoke the Agreement and Release, I understand I must give written notice of revocation, by hand delivery or by registered or certified mail, postage and fees prepaid to: Judy Comstock, Employee Benefits Specialist, Human Resource Services, University of Idaho, Moscow, ID 83844-4332.

If mailed, a notice of revocation shall be deemed effective at the time it is mailed. If hand delivered, a notice of revocation shall be deemed effective when delivered. This Agreement and Release shall not become effective or enforceable until the revocation period has expired. If I give notice of revocation during the revocation period, this Agreement and Release shall become null and void and all rights and claims of both the University of Idaho and me, which would have existed, but for the execution of this Agreement and Release, shall be restored.

6. Employees who participate in one of the Federal government's retirement plans may wait to enroll in the VSROP until the University notifies them of the decision of the United States Secretary of Agriculture regarding the University's receipt of Voluntary Early Retirement Authority (VERA). If the University receives authority to operate under VERA, federal retirement benefits may be available to employees at an earlier age. I understand that after receiving notification of the decision of the Secretary, if I am participating in a Federal retirement plan, I will have fourteen (14) days from receipt of the notification to consider and accept this Agreement and Release, or until April 2, 2002, or until forty-five (45) days from initial receipt of this Agreement, whichever of these dates is latest. Further, upon my execution of the Agreement and Release I have a period of seven (7) days to revoke the Agreement and Release. If I should choose to revoke the Agreement and Release, I understand I must give written notice of revocation, by hand delivery, or by registered or certified mail, postage and fees prepaid to: Judy Comstock, Employee Benefits Specialist, Human Resource Services, University of Idaho, Moscow, ID 83844-4332.

7. On behalf of myself and my heirs, executors, administrators, successors and assigns, I release and discharge, to the full extent permitted by law, the University of Idaho, its successors, assigns, affiliates, regents, officers, representatives, agents and employees from any and all claims, including claims for attorneys' fees and costs, charges, actions and causes of action with respect to, arising out of, or in any way related to, my employment or the termination of my employment with the University of Idaho or any agreements relating thereto. This release includes, but is not limited to, any and all rights to file grievances with the University under the rules and policies of the University or the Regents of the University of Idaho, breach of contract claims, wrongful discharge claims, claims arising under federal or state laws prohibiting discrimination, including, but not limited to, Title VII of the Civil Rights Act of 1964, the Age Discrimination In Employment Act of 1967, as amended, the Americans With Disabilities Act of 1990, as amended, the Equal Pay Act, as amended, the Civil Rights Act of 1991, the Family and Medical Leave Act, the Idaho Human Rights Act and any other claims I may have under any of the laws governing discrimination in employment or related to wages or benefits. This paragraph is not intended to limit me from instituting legal action for the sole purpose of

enforcing this Agreement and Release, or from pursuing any rights or claims arising after the date I sign this Agreement and Release. This paragraph is also not intended to limit, in any way, my right to receive workers compensation benefits arising from my employment at the University of Idaho.

8. Nothing in this Agreement and Release prohibits me from filing a charge or complaint, including a challenge to the validity of this Agreement and Release with the Equal Employment Opportunity Commission (EEOC). Further, nothing in this Agreement and Release prohibits me from participating in any investigation or proceeding conducted by the EEOC.

9. I hereby promise that on or before the effective date of my retirement I will return to the University of Idaho, all University property, including, but not limited to, keys, files, records, computer access codes, computer programs and any other property belonging to the University of Idaho.

10. I hereby acknowledge that I have entered into this Agreement and Release as a free and voluntary act in consultation with my own legal counsel and in the exercise of my own judgment, and that I have not entered into this Agreement and Release under the influence of or in reliance upon any statement or representation made by the University of Idaho, or any attorney, representative, agent or other person acting for, through or on behalf of the University of Idaho.

11. I further acknowledge that I have not been coerced or threatened into signing this Agreement and Release and have not been promised anything else in exchange for signing this Agreement and Release. I have completely read and fully understand this Agreement and Release and its exhibits and voluntarily accept its terms. I represent and warrant that there exists no physical or mental condition known to me that would preclude me from executing this Agreement and Release.

12. I acknowledge that this Agreement and Release, including the exhibits hereto, constitute the entire agreement between the parties. Any agreement hereafter shall be ineffective to change, modify or discharge any of the terms and conditions of this Agreement and Release in whole or in part, unless such agreement is agreed to in writing and signed by all of the parties hereto.

13. In the event any suit, action or other proceeding arises under the terms of this Agreement and Release, or in connection with any of its provisions, the prevailing party shall be entitled to recover reasonable attorney fees and other costs incurred in that action or proceeding, including appeals, in addition to any other relief to which it may be entitled.

14. The construction, interpretation and performance of this Agreement and Release shall be governed by the laws of the State of Idaho.

EXHIBIT A TO THE AGREEMENT AND FULL AND FINAL RELEASE OF ALL CLAIMS
University of Idaho Voluntary Separation and Retirement Opportunities Program
February 1, 2002 to April 2, 2002

I. Purpose

The purpose of the Voluntary Separation and Retirement Opportunities Program (VSROP) at the University of Idaho (UI) is to afford eligible faculty and staff members who desire to leave or retire from the University an opportunity to do so with additional economic incentives.

II. Policy Statement

A. Board-appointed UI faculty and staff, whose appointments are for half-time or greater, and who meet one of the following requirements on or before September 1, 2002, are eligible for participation in the VSROP:

1. completion of 30 or more net years of service to the UI; or

2. completion of 15 net years of service to the UI and attainment of age 64; or

3. attainment of at least age 50 and completion of a number of years of service to the UI and/or the State of Idaho such that the sum of the years of age and the net years of service is 76.

"Net years of service" is calculated by determining the total period of service (date of first employment to date of termination) minus any periods of leave without pay and minus any periods when not actually employed by UI or the State of Idaho. An academic-year employee who is paid over 12 months will be credited with 12 months of service for the purposes of making this calculation, consistent with the view taken by the Public Employees Retirement System of Idaho (PERSI).[1]

B. The VSROP is an "open window" offering a one-time opportunity to eligible faculty and staff. This program is not expected to become an on-going feature of UI benefits. The University will accept enrollment in the VSROP between February 1, 2002, and April 2, 2002.

C. Faculty and staff in the following circumstances are not eligible for participation in the VSROP: Any person who has received, prior to the effective date of retirement, written notice of: a) termination; b) suspension with or without pay; or c) initiation of dismissal proceedings.

III. Benefits

A. All participants in VSROP will be eligible for all benefits offered to honored staff retirees and emeritus faculty under existing UI policy. These benefits include UI paid medical insurance.

B. 1. VSROP participants have two retirement periods to choose from:

a. VSROP participants who agree to retire on or before June 22, 2002, will receive a cash incentive amount equal to one bi-week of FY02 base salary for each year of service to UI up to 26 bi-weeks. Years of service are calculated as of September 1, 2002. The cash incentive is based upon the salary reflected on the FY02 base salary agreement or letter. It does not include any one-time payments made in FY02. The cash incentive will be paid in three equal installments, one each on July 20, 2002, July 19, 2003, and July 3, 2004.

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[1] Idaho Code § 59-1302(33) "Service" means being shown on an employer's payroll as an employee receiving a salary. For each calendar month, service is credited only when a member is an employee as defined in subsection (14)(A) of this section and is employed for fifteen (15) days or more during any calendar month. Employment of fourteen (14) days or less during any calendar month shall not be credited. No more than one (1) month of service shall be credited for all service in any month.

b. VSROP participants who agree to retire after June 22, 2002, and on or before June 21, 2003, will receive a cash incentive equaling two-thirds of the amount equal to one bi-week of FY02 salary for every year of service to UI up to 26 bi-weeks. Years of service are calculated as of September 1, 2002. The cash incentive is based upon the salary reflected on the FY02 base salary agreement or letter. It does not include any one-time payments made in FY02. The cash incentive will be paid in two equal installments, one each on July 19, 2003, and July 3, 2004.

2. All payments are subject to income-related taxes when paid. Receipt of payments following retirement does not make the VSROP participant eligible for employment related benefits such as accrual of annual leave, sick leave, retirement contributions or additional credit for length of service.

C. Participants will be required to sign an agreement and release signifying their agreement to abide by the terms of the VSROP and to release the University from certain types of legal liability.

D. Collection of PERSI retirement benefits prohibits employees from re-employment with UI for a period of ninety (90) days. This prohibition includes accepting a "guarantee" to be re-employed at the time of retirement. If an employee is re-employed by UI within ninety (90) days or has a promise to become re-employed at a date after ninety (90) days, PERSI will consider the employee to have continued as an employee and will seek reimbursement of any payments paid by the system to the retiree.[2]

IV. Procedures

A. Judy Comstock, Employee Benefits Specialist in UI Human Resource Services, will administer the VSROP. She may be reached by telephone at (208) 885-3609 or by electronic mail hrs@uidaho.edu. Information about the program will be available on the UI Human Resource Services Home Page at http://www.uidaho.edu/hrs.

B. The enrollment period for VSROP is February 1, 2002, to April 2, 2002. Enrollment documents will be delivered to every eligible UI employee no later than February 19, 2002.

C. In choosing the effective date of retirement, participants are expected to work cooperatively with their department heads and deans to ensure the smooth transfer of on-going responsibilities to others. Faculty are expected to negotiate a retirement date that ensures the successful completion of obligations to students.

The authority to offer incentives to separate from employment in exchange for waivers of claims and resignations was approved by the Regents of the University of Idaho on November 15, 2001.

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[2] Idaho Code § 59-1356. Reemployment of retired members
(1) If an early retired member is reemployed with the same employer within ninety (90) days from retiring, or the early retired member is guaranteed reemployment with the same employer the member shall be considered to have continued in the status of an employee and not to have separated from service. Any retirement allowance payments received by the retired member shall be repaid to the system and the retirement shall be negated. The month of last contribution prior to the negated retirement and the month of initial contribution upon return to reemployment shall be considered consecutive months of contributions in the determination of an appropriate salary base period upon subsequent retirement.
(2) When a retired member meets the definition of an employee as defined in section 59-1302(14)(A)(a), Idaho Code, any benefit payable on behalf of such member shall terminate and any contributions payable by such member under sections 59-1331 through 59-1334, Idaho Code, shall again commence, except as provided in subsection (3) of this section. The terminated benefit, as adjusted pursuant to section 59-1355, Idaho Code, shall resume upon subsequent retirement, along with a separate allowance computed with respect to only that salary and service credited during the period of reemployment.
(3) If a retired member again becomes employed and an employer certifies to the board that the member does not qualify as an employee as defined in this section and section 59-1302(14)(A)(a), Idaho Code, no contributions shall be made by the member or employer during such reemployment and any benefit payable on behalf of such member shall continue.
(4) For purposes of this section, "same employer" means the employer for which the retired member last worked prior to retirement.

EXHIBIT B TO THE AGREEMENT AND FULL AND FINAL RELEASE OF ALL CLAIMS

University of Idaho Voluntary Separation and Retirement Opportunities Program (VSROP)

The information on the following pages is being furnished in compliance with the Older Workers' Benefit Protection Act of 1990. The individuals eligible to elect to receive benefits pursuant to the UI VSROP are those employees of the UI who on or before September 1, 2002, have completed thirty (30) or more net years of service to the UI; or have completed 15 net years of service to UI and attainment of age 64; or have attained at least age 50 and completion of a number of years of service to the UI and/or the State of Idaho such that the sum of the years of age and the net years of service is 76, and who have not, prior to the date of retirement received written notice of: (a) termination; (b) suspension with or without pay; or (c) initiation of dismissal proceedings. The UI VSROP is an "open window" offering a one-time opportunity to eligible employees. The tables list by age the number of individuals who are eligible and those who are not eligible by employment group.

Skilled Crafts

Age	Eligible	Not Eligible
22		1
23		1
26		1
28		2
29		1
30		3
32		2
33		5
34		5
36		1
37		3
38		1
40		2
41		4
42		10
43		6
44		2
45		2
46		4
47		6
48		2
49		3
50		3
51		6
52		7
53	3	0
54	2	7
55	2	1
56		1
57	2	1
58	1	1
59		2
60	1	1
61		2
62	2	0
63	2	0
64	1	0
66		1
Total	**16**	**100**

Service Maintenance

Age	Eligible	Not Eligible
22		3
23		1
24		3
25		3
26		2
27		2
29		6
30		2
31		5
32		1
33		6
34		2
35		4
36		2
37		2
38		2
39		4
40		6
41		7
42		6
43		5
44		7
45		9
46		7
47		10
48		2
49		4
50	1	5
51		3
52	1	5
53	2	4
54	1	1
55		11
56	2	3
57	3	5
59		2
60	2	5
61	5	2
62	1	3
63		1
64	2	1
65		1
68	1	0
Total	**21**	**165**

Exhibit No. 3. Brief history of the ERIP and VSROP programs.

A BRIEF HISTORY OF THE ERIP AND VSROP EARLY RETIREMENT PROGRAMS AT THE UNIVERSITY OF IDAHO.

In efforts to encourage faculty/staff to consider early retirement, the University of Idaho (UI) offered the Early Retirement Incentive Program (ERIP) in 1998 and the Voluntary Separation/Retirement Opportunities Program (VSROP) in 2002. Both programs required a signed contract between the retiree and the UI. These contracts included a "buyout" provision and also guaranteed that the retiree would receive health and life insurance benefits as defined at the time in the Faculty Staff Handbook. These contracts can only be changed with the written consent of both the retiree and the UI.

The ERIP program encouraged older faculty to retire so that new faculty could be hired. Assuming that new faculty would come in at a lower wage than the retiree, these extra dollars from the retiree's position could be pooled with other older retiree's excess salary to generate new faculty positions. The program worked.

The VSROP program was quite different and had one objective; to raise $7 million that had to be repaid to the state under an emergency budget reduction (holdback) ordered by then Governor Dirk Kempthorne. Did the program succeed? As Bob Hoover, President of UI, noted in April, 2002;

"We initiated the voluntary separation/retirement opportunities program with one objective. We wanted to minimize the number of UI employees who would have to be laid off to meet our budget shortfall. It now appears we have achieved that objective. There will still be some layoffs, but not nearly as many as there would have been without the early retirement program."

In other words, the positions generated by the ERIP (and many other non-tenured faculty and staff) had been saved by the retirees accepting the VSROP. Unknown to most people at the time was that the UI was also under the severe constraint of a $10 million ongoing internal deficit that if coupled with the $7 million budget reduction, would have resulted in severe financial difficulties for the UI.

When both the ERIP and VSROP programs were proposed, the question of, "what the impact of instantly placing a lot of new retirees in the health program would do to the UI's cost for the program?" was raised in Dean's Council and probably elsewhere in the administration as well. The answer was that it would have an impact and we would deal with it.

So, how large was the impact from the new retirees? Based on the numbers I have, there were 120 participants in the ERIP program and 148 in the VSROP for a total of 268 employees. In the table of FY06 Monthly Retiree Rates for UI insurance there are a total of 518 retirees over 65 years old (on Medicare) and 170 retirees under 65 receiving the health benefit totally paid by UI. The rate difference is $237 per month for those on Medicare and $483 for those under 65, a difference of almost 50%. Although the under

65 group accounts for only 25% of the total retiree population, this group accounts for 40% of the premium cost to the university. Most of the under 65 group are from the VSROP and ERIP programs as these are the folks who retired early. As time marches on this group will also reach 65, go on Medicare and their rates will fall by about 50%. As the UI will soon move those over 65 to the Medicare drug program, I expect the premium will fall even farther as the Medicare drug rate paid by the UI will probably be lower than the Blue Cross drug rate that the UI now supports. To answer the question, the impact was large, but will lessen as more VSROP/ERIPs reach 65.

I reiterate this history to make the point of how important the early retirement programs (especially the VSROP) were to the financial survival of the UI. The participants in these programs were promised that health insurance would be paid for life by the UI *as the program existed at the time.* ***It is well known that very few of the VSROP/ERIP retirees would have participated in either program without the health insurance benefit.***

These notes were prepared as part of written comments to UI regarding changes proposed for the UI health insurance plan for retirees and active employees by:
Earl H. Bennett
P.O. Box 157
Genesee, ID 83832
Home Phone: 208-285-1354
Email: bennett@uidaho.edu

Exhibit No. 4. "Questions and Answers" VSROP program.

University of Idaho Voluntary Separation and Retirement Opportunities Program
February 1, 2002 to April 2, 2002
Questions & Answers

1. Who is eligible to enroll in the VSROP?

Board-appointed UI faculty and staff, whose appointments are for half time or greater, and who meet one of the following requirements on or before September 1, 2002, are eligible for participation in the VSROP:

1. completion of 30 or more net years of service to the UI; or
2. completion of 15 net years of service to the UI and attainment of age 64; or
3. attainment of at least age 50 and completion of a number of years of service to the UI and/or the State of Idaho such that the sum of the years of age and the net years of service is 76.

2. What are the benefits of VSROP for me?

In addition to a cash payment, you will be considered an honored staff retiree or an emeritus faculty member and receive all the benefits of that status. Your medical insurance will be paid by the UI. You will have the opportunity to purchase medical insurance for your dependents.

Cash incentives depend on how long you have been working for UI and when you choose to retire or separate from the University.

If your termination date is on or before June 22, 2002, you will receive a cash incentive amount equal to one bi-week of FY02 base salary for each year of service to the UI up to twenty-six (26) years. Years of service are calculated as of September 1, 2002. The cash incentive is based upon the salary reflected on the FY02 base salary agreement or letter or established by your classification. It does not include any one-time or other payments made in FY02, such as overload, summer salary, temporary salary increases, and overtime). The cash incentive will be paid in three equal installments on July 20, 2002, July 19, 2003, and July 3, 2004.

If your termination date is after June 22, 2002 but on or before June 21, 2003, you will receive a cash incentive equaling two-thirds of the amount equal to one bi-week of FY02 salary for every year of service to UI up to twenty-six (26) years. Years of service are calculated as of September 1, 2002. The cash incentive is based upon the salary reflected on the FY02 base salary agreement or letter. It does not include any one-time or other payments made in FY02 such as overload, summer salary, temporary salary increases, and overtime. The cash incentive will be paid in two equal installments on July 19, 2003, and July 3, 2004.

3. What is the deadline for enrolling in the VSROP?

Tuesday, April 2, ~~2002 is~~ the last day the University will accept signed releases from employees. You should have discussed your enrollment with your department head or supervisor before the enrollment deadline and obtained his or her signature on the release and agreement in this packet. In addition, will also need the signature of the dean, vice president, ~~executive director or vice provost of~~ your unit. The only exception to this deadline is for Federal Retirement System participants. They will be given an extended period of time to enroll. The extension is due to uncertainty surrounding federal approval of early retirement benefits for UI College of Agriculture and Life Sciences employees in the Federal Retirement System. (See Question 27 below)

4. Must I retire on June 22, 2002 or June 21, 2003?
No. You may choose any retirement date that falls between these dates. However, you should discuss your effective date of retirement with your dean, department head and supervisor to ensure that the date you have selected appropriately provides for the smooth transition of your responsibilities to someone else.

5. Will I be able to immediately draw retirement benefits if I enroll in the VSROP?
Not necessarily. The VSROP has no effect on your entitlement to draw retirement benefits from your retirement plan. If you are younger than age 55 it is important that you contact your retirement plan to discuss the effect of leaving employment at this time. The rules affecting how much and when you may begin receiving retirement payments are completely independent of the VSROP. This is true for all retirement plants. Before you enroll in the VSROP, you are strongly encouraged to contact your retirement plan to find out more about your retirement benefits.

6. I am a PERSI retiree. Since VSROP eligibility is based on years of service as of September 1, 2002, does that mean that PERSI will give me service credit through that date?
No. The UI calculated VSROP eligibility based on your completed years of service as of September 1, 2002. Many of you will retire on June 22, 2002, a full 10 weeks before the date used to determine eligibility. This means that even though the UI is giving you "credit" for service to qualify you for the VSROP, PERSI will not give you credit for those 10 weeks because they were not actually worked. Therefore you are strongly encouraged to consult with PERSI in calculating your retirement benefit.

7. How do I get information on retirement benefits?
PERSI: http://www.persi.state.id.us/
Boise: 1-800-451-8228
Coeur d'Alene: 1-800-962-8228
Pocatello: 1-800-762-8228
Choice Plan questions: 1-866-ID-PERSI (1-866-437-3774)

VALIC: http://www.valic.com/valic/valweb.nsf; 1-800-448-2542

TIAA-CREF: http://www.tiaa-cref.com/; 1 800 842-2009

Federal Retirement plans for College of Agriculture and Life Sciences Extension faculty and staff
For an estimate of your benefits please contact Judy Comstock at UI's (208) 885-3608 or judyc@uidaho.edu
For general information: http://www.opm.gov/retire/
http://www.fedretiresoftware.com/
1-88USOPMRET — 1 (888) 767-6738.

8. Will my VSROP payments be taxed?

Yes. All VSROP payments will be considered income by the Internal Revenue Service and subject to income-related taxes and deductions. There may be mechanisms that allow you to defer payment of income taxes on the VSROP payments. Please consult with a tax advisor or your retirement plan. The February 26 and 27 information sessions will address these issues. Please see the information in your VSROP packet.

9. Will there be amounts withheld from my VSROP payments?

Yes. Federal income tax, Idaho state income tax, and FICA. Also see the answer to Question 8.

10. May I have my VSROP payments made through direct deposit into a bank account?

Yes. If your current paychecks are being handled through direct deposit, the University will automatically send your VSROP payments to the same direct deposit account. If you have not used direct deposit before, you need to fill out a form specifying the account you wish used for direct deposit.

11. Can I purchase months of service in PERSI and increase my retirement benefit? 6035.36 → 31474.?? 1 yr. 34,443

Yes. Active PERSI members may purchase months of service and increase their retirement benefits. You may also use the funds in your PERSI CHOICE Plan to purchase months of service and increase your PERSI benefit. To learn more go to the PERSI website http://www.persi.state.id.us/html/generalinformation/POS_brochure.htm and use the "calculator" to figure out how much months of service will cost. This would also be a good topic to discuss on an individual basis with the PERSI representatives who visit the UI campus during February. Finally, the Idaho Legislature is likely to pass HB414, a law which will allow both active employees and inactive (not working but not yet drawing PERSI retirement benefits) to purchase months of service.

12. The VSROP policy talks about "net" years of service. What does this mean?

For determination of emeritus and honored staff retiree status the UI subtracts any periods of time when the employee was not actually employed by UI, such as leaves without pay, other forms of break in service, or academic year employees whose pay is not spread over 12 months. Sabbatical leaves with pay are still periods of service to UI. The UI will apply the same principles to calculations of net years of service to determine eligibility for VSROP.

13. Do my years of service to another State of Idaho agency count in calculating my cash benefit?

No. Your years of service to another State of Idaho agency will count in determining if you are eligible to participate in the VSROP. However, only your years of service to UI will be used in calculating your cash incentive.

14. Do I sign my FY 03 Agreement if I plan on leaving the UI before the end of the contract term?

Yes. You should sign your salary agreement and note in the comment section your anticipated date of retirement or separation.

15. I am on an academic year appointment, but my salary is paid over twelve months. Will the VSROP payments be based on my bi-weekly salary paid over twelve months or over nine months?
The calculation of your VSROP cash incentive is based on your FY02 base salary agreement or letter. The base salary rate does not include summer salary, overload, overtime, or temporary salary increases. If you have your FY02 base salary paid over 26 bi-weeks the resulting bi-weekly pay will be multiplied by the number of net full years of service you have worked at the UI to determine your incentive payment.

16. I am on an academic year appointment, but my salary is paid over twelve months. How will leaving the UI before the end of the contract year affect my salary?
Employees who are employed for an academic year are paid over 12 months. This means that salary paid in July and early August will not be earned until the employee begins work in August. Additionally, salary paid in the last month of the year, June, was earned prior to the pay period covered by the payment. When an academic year employee retires, or otherwise ends the employment relationship with the University, it is normal practice to calculate whether UI owes the employee salary or whether the employee owes the UI reimbursement for payments made but not earned. Under the VSROP if you anticipate retiring at some time other than at the end of a fiscal year, June 22, 2002 or June 21, 2003, you may need to have your salary payments adjusted to ensure that you are not underpaid or overpaid. Bev Rhoades in the Budget Office ((208) 885-6977, bevr@uidaho.edu) can help you calculate the effect of your retirement date on your salary payments.

17. What is the effect of the lag payroll on participation in the VSROP?
Like all employees leaving the employment of the University, VSROP participants will receive their last paycheck two weeks after their last pay period of employment.

18. What happens to accrued and unused annual leave under the VSROP?
Employees who retire effective with the last pay period in June may have their final day of work adjusted to use all accrued annual leave prior to retirement or separation. This policy found in Faculty-Staff Handbook 3710 B-7 supersedes all other policy statements regarding annual leave. Employees whose salaries are paid from grants or contracts, or other sources of one-time funds are required to use all accrued annual leave prior to the expiration of the grant, contract, or one-time funds source. In some cases, at the discretion of the dean or unit head, accrued and unused annual leave may be paid as a lump sum payment upon retirement or resignation. Both the employee's preference and the effect on efficient operation of the unit must be considered in establishing mutually agreed periods of leave.

19. What happens to accrued and unused sick leave under the VSROP?
The University makes no cash pay out for unused sick leave. Since under the VSROP, the UI will pay medical benefits for participants there is no employee contribution for medical insurance payments. Therefore, as a practical matter, unused sick leave has no monetary value to VSROP participants.

20. How can I find out about my social security benefits and the effect of my VSROP payments on social security?
Contact the Social Security Administration via the Internet or at the address or phone number shown below. http://www.ssa.gov/SSA_Home.html (You can locate the office nearest you at this web site) The general toll-free phone number for the Social Security Administration is 1-800-772-1213. There is an office in Lewiston: 1617 19th Ave., Lewiston, ID 83501; (208) 746-2995 TTY: (208) 746-9942

21. Can I come back and work for the UI again after I retire or resign?
The VSROP requires that you not seek re-employment by the UI for at least ninety (90) days following your effective date of retirement or resignation ("termination date" on your release of claims). This requirement applies to all VSROP participants and is not dependent on your drawing retirement benefits after leaving the UI. Following that time period, re-employment is at the discretion of the UI. If you are drawing retirement benefits your plan may limit your re-employment options. For PERSI retirees please see the PERSI Second Quarter 2001 Newsletter attached. Before making plans for re-employment you are strongly advised to consult with your retirement plan.

22. I am an academic year appointee. If I retire or resign effective at the end of the spring 2002 semester, may I continue to work until the end of the contract term, June 22, 2002?
No. Your resignation or retirement date is the date you enter on your Agreement under the VSROP. You may not seek re-employment with the UI for a period of 90-days following that date. If you are a PERSI retiree you should consult with PERSI to determine the best "termination date" for your circumstances.

23. I was divorced during the time when I participated in PERSI. Will this affect my PERSI payments?
PERSI will have some specific questions and will request information from your divorce proceedings before establishing the payment of benefits following retirement. Please call the PERSI legal department at 1-800-451-8228 for more information.

24. Will my future VSROP payments be payable to my heirs or beneficiaries if I die before receiving them?
Yes. The VSROP agreement you sign obligates the University to making the payments under the program. We will send the payments as directed by you at the time you enroll in the VSROP.

25. How do I ensure continuation of my medical insurance?
All employees who enroll in the VSROP will be eligible to participate in retiree health insurance and UI will continue to pay the premiums for the former employee. VSROP participants may only enroll in the Traditional Indemnity Plan.

VSROP participants may continue to pay premiums for dependents' medical insurance coverage. Your spouse, if covered by this insurance may continue, after your death, to pay premiums for this coverage as long as he or she is not remarried. (Remarriage to a UI honored staff retiree or emeritus faculty member may renew your dependent coverage.) If your spouse or dependents are not already enrolled in a UI medical insurance plan then you must enroll them during the annual open enrollment period, May 1 through June 1 with enrollment effective July 1 of the new plan year. Adding eligible dependents during the open enrollment period may be done in any year the VSROP participant is enrolled. Life style changes such as marriage, divorce, or the birth or adoption of children, create an opportunity for enrolling a new dependent in the medical insurance program.

Once a VSROP participant is eligible for Medicare Part B, the VSROP participant and/or dependent must accept Part B to remain on the retiree plan. Dental coverage is not provided for retirees on Medicare Part B. The UI health insurance continues to provide the insured with maximum allowable charge (MAC) coverage. MAC coverage pays the difference between what has been paid by the primary insurance provider and the remaining amount eligible for reimbursement after stop loss has been met. UI health insurance does not pay the difference between primary insurance payments and the balance billed for services. The prescription plan and preventive benefits are the same for retirees as in the active employees' plan.

The medical plan for VSROP participants, as all other eligible retirees, is subject to change at the discretion of UI.

26. How much does the UI retiree medical insurance option cost for dependents?
Each year the cost for dependents changes, generally increasing. During FY02 (July 1, 2001 through June 30, 2002) the rates are as follows:

Spouse without Medicare	approximately $230.00 per month.
Spouse with Medicare	approximately $110.00 per month

Upon retirement you receive a letter verifying continued dependent coverage, monthly rates and how payments should be made. *Our current projection for FY 03 rates indicates increases may range from 10-20%.*

The rates are adjusted with each new fiscal year effective July 1. A letter is mailed to inform retirees and dependents of the new rates and provide a statement of account for the dependent medical premiums. Statements are mailed once a year at the end of the fiscal year (usually the first week of July). Monthly bills and payment due notices are not routinely sent.

27. I am in the Federal Retirement System. How does the VSROP apply to me?
You will receive a VSROP payment as will all other eligible employees who enroll. In addition, the UI applied to the USDA for authority to offer early retirement to its employees in the Federal Retirement System. Under this authority, UI employees who retire and are at least 55 years of age will be eligible to draw on their retirement benefits earlier than normal. Because the UI does not yet know if the authority to offer early retirement has been granted, Federal Retirement System participants will have a longer period of time in which to sign their releases and enroll in the VSROP. For more information about this program and how it affects you, contact Rob Spear at rspear@uidaho.edu or (208) 885-8929. For an estimate of your Federal Retirement benefits contact Judy Comstock at judyc@uidaho.edu or (208) 885-3608.

Exhibit No. 5. Memo to Tim White, President of the University of Idaho from Harvey Neese, Arthur Smith and Earl Bennett representing ERIP/VSROP retirees. Proposed changes to Health Insurance. November 28, 2006.

Memo to President Tim White
From Harvey Neese, Arthur Smith, and Earl Bennett, representing ERIP/VSROP retirees
Proposed changes in health benefits
November 28, 2006

In 1999 and again in 2002, the UI encouraged sizable number of staff and faculty to retire under the ERIP and VSROP programs in order to reduce financial liability of the university and to make way for new faculty. Eligible faculty and staff were afforded a limited window of opportunity to decide whether to accept the UI's offer. During this time, retirement benefits such as university paid medical insurance were touted by the university in order to encourage early retirement. For example, UI provided the following assurances as part of its Questions and Answers concerning the VSROP offer:

> 2. **What are the benefits of VSROP for me?** In addition to a cash payment . . . *your medical insurance will be paid by the UI.*
>
> 19. **What happens to accrued and unused sick leave under the VSROP?** Since under the VSROP, the *UI will pay medical benefits for participants there is no employee contribution for medical insurance payments.*
>
> 25. **How do I ensure continuation of my medical insurance?** All employees who enroll in the VSROP will be eligible to participate in retiree health insurance and *UI will continue to pay the premiums for the former employee.*

Those accepting early retirement were required to sign contracts promising to retire at a date certain. These contracts provide as follows:

> III.A. All participants in VSROP will be eligible for *all benefits offered* to honored staff retirees and emeritus faculty *under existing UI policy. These benefits include UI paid medical insurance.*

Those who retired under these programs saved the university millions of dollars and preserved the jobs of a large number of young faculty and staff. These retirees terminated their employment, relinquished employee benefits, and selected pension options relying upon these promises.

However, current proposals for changes in retiree health and life insurance benefits fail to recognize the distinctive features of the ERIP/VSROP contracts. Representatives Trail and Schroeder attended the November 9th UIRA Task Force discussion of these proposals and Senator Schroeder offered to submit to the Attorney General the question of UI legal obligations to ERIP/VSROP retirees. We wish to avoid a public dispute with the University and would prefer pursuing the matter in-house if possible.

Does the UI recognize that the ERIP/VSROP contracts obligate UI to cover the cost of health and life insurance premiums? If so, we ask that this be reflected in the final plan which you will be taking to the Board of Regents. If not, we request an explanation from university counsel as to why the UI is not so obliged.

Exhibit No. 6. Analysis of VSROP Employee Rights, Kent E. Nelson, General Counsel, University of Idaho, February 26, 2007.

Analysis Of VSROP Employee Rights

The VSROP program was intended to provide financial incentive for faculty and staff to retire. The financial incentives were available to those who already were eligible for retirement as well as to a limited group who met an accelerated retirement rule for early retirement. For those who were already eligible for university retiree benefits[1], the sole incentive was money. In exchange for their agreement to retire, those individuals received cash payments of up to 1 full year's salary. Those who met the VSROP eligibility for early retirement[2] received the cash payment as well as the right to receive university retiree benefits as though they had retired under the then current general requirements.

Other than the cash payment for choosing to retire within the VSROP window and the early retirement eligibility for some, there were no special benefits allocated to the VSROP participants. The VSROP contract addressed "benefits" stating, "[a]ll participants in VSROP will be eligible for all benefits offered to honored staff retirees and emeritus faculty under existing UI policy. These benefits include UI paid medical insurance."

The VSROP retirees have always received UI paid medical insurance, and will continue to do so. They may elect between a fully paid plan or a cost sharing. Consequently, there is no change in any term of the VSROP contract that would require an agreement between the UI and each retiree.

There is nothing in the VSROP contract that binds the UI to continue retiree health benefits at the particular level they may have been at the time a person chose to take advantage of the program. The University always retained (and continues to retain) the right to revise its benefit programs up or down. This is clearly stated in the University's retirement pamphlet[3] that was provided to all employees considering participation in the VSROP program, as well as in the Faculty-Staff Handbook[4].

February 26, 2007.

Kent E. Nelson
General Counsel
University of Idaho

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[1] The applicable criteria in the contract (which mirrored then current general retirement criteria) were:

1. completion of 30 or more net years of service to the UI; or
2. completion of 15 net years of service to the UI and attainment of age 64;

[2] The applicable criteria in the contract was 50 years of age and a rule of 76. The then general retirement criteria applied a rule of 80.

[3] The University of Idaho Retiree Benefits pamphlet stated on page 2 as follows:

> "Current benefits to these individuals include life insurance, retiree health insurance, educational privileges, free parking permit, and other incidental benefits. *These benefits may be changed by the Regents at any time.*" [emphasis added]

[4] Language in the preamble to the description of benefits read: "The regents reserve the right to amend, modify or terminate any benefit plan at any time."

Exhibit No. 7. Copies of letters and articles from local newspapers.

rthwest

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Latah County candidates discuss the issues
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SECTION C
TUESDAY OCTOBER 24, 2006

THE LEWISTON TRIBUNE/WWW.LMTRIBUNE.COM

UI scales back retiree benefits package

University officials blame rising cost of health care for change

BY JOEL MILLS
OF THE TRIBUNE

MOSCOW — Retiree health and life insurance benefits at the University of Idaho are being scaled back because of the continuing pressures of more stringent government accounting rules and increased health care costs, officials told a packed house of retirees Monday.

But many of the retirees who attended the presentation on the proposed changes said they understand their former employer has been painted into a corner.

"It seemed pretty reasonable, considering the perilous times we're in," said retired German and Spanish professor John Sullivan, 83. He and his wife Elizabeth blamed the ever-increasing cost of health care, not the UI, for the proposed cuts.

So did Jack Beck, a 76-year-old former refrigeration and air conditioning technician for the UI.

"We knew it was coming," said Beck, who retired 13 years ago to the benefits the UI has provided since the late 1980s.

Other schools, such as Washington State University, are part of their state-funded retirement plans. But about 20 years ago the UI opted out of the Public Employment Retirement System of Idaho, PERSI, so it could shop around for cheaper insurance for its relatively low-risk employees.

The university has maintained the plan since, but President Tim White said the accounting rules and cost increases have forced the UI's hand. Under changes made by the Governmental Accounting Standards Board, public entities such as colleges and universities have to record their current and future employee benefits as an expense.

Without changes to the benefits package, that number would be $222 million for the UI.

"To put that number into context, that is 70 percent of our total annual operating budget," White said of the so-called "unfunded liability."

So to reduce that liability, the UI is

> See BENEFITS, Page 3C

TUESDAY, OCTOBER 24, 2006 LEWISTON TRIBUNE

BENEFITS: Some retirees unsatisfied with move

> Continued from PAGE 1C

tweaking the variables in the coverage and installing a four-tiered structure that largely keeps intact coverage for current retirees and employees near retirement, albeit at a higher cost. The flip side is that newer employees in the bottom three tiers will have to pay even more for their benefits and work more years to get them.

With the proposed changes, the liability can be reduced to $99 million, and the UI can amortize that with a much more manageable $7.6 million annual contribution to a health care trust fund, officials said.

White said a philosophy of protecting the older employees' benefits at the expense of younger employees was adopted early in the process by the UI's benefits task force. Those employees have served the UI longer, he said, and therefore deserve that consideration.

Still, some in the audience said they weren't satisfied.

"I'm troubled that the university can renege on a long-standing promise so easily," said retired agricultural economist David Walker, 62. Walker said one of the main reasons he accepted an early retirement package in 2002 was the promise his benefits wouldn't change.

Other retirees raised the same question, but task force members pointed out language in the contracts explicitly allows the UI to modify the benefits as it deems necessary. Walker said he wouldn't have taken early retirement if he'd known the benefits would change so soon.

And Walker noticed the UI was careful to mention it could change the plan again in the future.

"There's a very fine line between taking it away totally, and pricing it out of the reach of retirees," he said of the increasing cost of the previously free insurance. "At some point, you can price it so high that you might as well take it away."

Peter Haggart, a retired communications professor and task force member, said after nearly two years of wrestling with the benefits question, he now fully understands and accepts the UI's predicament.

"I feel very good about what we did and how we did it," he said.

Current UI employees will hear about the more drastic changes to their benefits at a 9 a.m. meeting today in the Student Union Building. The university administration will be accepting comments and recommendations on the proposed changes until Nov. 23. Those who wish to comment may do so on the Web at *www.hr.uidaho.edu/retireetaskforce*, or by mail at Retiree Benefit Task Force, P.O. Box 444332, Moscow, Idaho, 83844-4332.

White will make a final decision in January, which is subject to the approval of the State Board of Education. If adopted, the changes would take effect on July 1.

Mills may be contacted at jmills@lmtribune.com or at (208) 883-0564.

Volume 91, Number 252 • 50¢

UI outlines changes to benefits for its retirees

10/24/2006

Daily News

Task force recommends changes to keep program alive

By Kate Baldwin
Daily News staff writer

The University of Idaho revealed plans Monday to change its health and life insurance benefits program for current and future retirees in order to sustain the program.

Under the recommended plan, retirees would pay more for their benefits in July, and current employees would face a new tiered system of eligibility.

More than 200 people sat shoulder to shoulder at Moscow's Best Western University Inn to hear the first presentation of the recommendations by the UI's Retiree Health and Life Insurance Task Force and to find out how their future would be affected.

UI retiree Jim Milligan estimated he would pay at least $250 more each year under the recommendations.

Because he is over 65 and eligible for Medicare, Milligan would begin paying $20 a month to maintain his health benefits. That amount could be higher if he decides to take advantage of the new dental coverage being offered for $30 a month, or if he decides to take life insurance above the basic $10,000 provided.

Right now, "they are just throwing numbers at me. I need to see the details," Milligan said.

For other retirees who are under 65 and not yet eligible for Medicare, the monthly co-pay for health insurance would be $30.

While the co-pay is a new recommendation, there will be no changes in the prescription drug benefits or the medical coverage offered. The annual rate increases for the co-pay will be capped at 10 percent. There are no changes for coverage of spouses and dependents. Retirees still will be obligated to pay 100 percent of those

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This system applies to Tier I participants, which include 872 retirees and 321 employees who are eligible but still working.

The three remaining tiers offer varying levels of benefits and cost-sharing arrangements.

One woman from the audience said it seemed the tiers were not fairly balanced, with Tier I members being treated better than the others.

The presenters said the tiers were established to adjust for those who had time to plan for the changes versus those who could not, such as current retirees and those close

See **BENEFITS,** Page 5A

TASK FORCE MEETINGS

The University of Idaho will be presenting the recommendations of the Retiree Task Force through a series of meetings.

In Moscow:

Nov. 1 — 8-10:30 a.m., Student Union Ballroom

Nov. 6 — 4-5:30 p.m., Administration Building Auditorium

Additional meetings are being held across the state from Wednesday to Nov. 6. For more information on these events and to submit comments, visit www.hr.uidaho.edu/retireetaskforce.

MOSCOW-PULLMAN DAILY NEWS

Benefits

from Page 1A

to retirement.

Employees are divided among these tiers based on their age and years of service. Tier II has 278 employees, Tier III has 1,118 employees, and Tier IV will comprise 504 current employees as well as any new hires.

The need to change the existing benefits program was driven by rising health care costs and a new rule from the Governmental Accounting Standards Board.

GASB Rule 45 requires that governmental bodies, such as universities, either fully fund or record as a liability the full cost of current and future retiree benefits, along with interest.

For the UI, the rule represents $222 million in accrued liability that will have to be funded or recorded as an unfunded obligation.

If the UI's benefits program was left unchanged, that $222 million in liability debt would put the core mission of the university at peril, said UI Vice President for Finance and Administration Lloyd Mues.

"It puts the university at risk if we did nothing, and the university is more important than any one person," Mues said.

The proposed recommendations lower that liability to $99 million.

By implementing the cost-sharing plan and tiered eligibility, the UI can lower its annual payments on the liability from $10 million to $7.6 million. Even at $7.6 million, it is an increase from the $4.6 million that was contributed before the requirements of the GASB rule were applied.

Under the recommendations, the $7.6 million annual payments will be split between the university and the participants in the program. The UI will pay $5.8 million, or 76 percent. The remaining $1.8 million is split between retiree contributions, estimated at $800,000, and their spouse and dependent contributions, estimated at $1 million.

The annual payments will go into a trust fund that will build up over time. The trust will be managed by a board of trustees.

"It will be very, very safe," Mues said.

UI retiree Joyce Presby, 65, said the recommendations appear to be "very well thought out." Even so, she intends to take advantage of the open comment period, which runs until Nov. 23.

Kate Baldwin can be reached at (208) 882-5561, ext. 239, or by e-mail at kbaldwin@dnews.com.

OUR VIEW

A promise should last a lifetime at UI

As trite as it may sound, a promise should be forever.

So we have to question the University of Idaho administrators' thought processes when they decided to change the terms of retired staff and faculty.

Seemingly, the UI reneged on a promise made to recent retirees that it would pay the former employees health and life insurance.

Free insurance is a great perk — if you can get it. Nearly 270 UI employees felt such an incentive was worth taking early retirement packages offered between 1999 and 2003.

The UI saw the buyout package as a way to save millions of dollars in salaries and other expenses during a budget crunch.

Under the circumstances the opportunity looked too good not to take advantage.

"A number of us took the buyout. Between 1999 and 2003 they got us to sign and said they would guarantee our health insurance and life insurance," said Wilcen Anderson, a UI retiree. "A year after everyone left, they came back and said we would have to pay."

That didn't sit well, and Anderson and three other retirees filed a claim for damages with the Idaho Secretary of State's Office on Dec. 12.

A retirement package is something on which those no longer working rely. Retirees are on fixed incomes and increases in basic expenses nibble away at monthly payments. Hefty insurance premiums added to monthly expenses can be devastating, especially if the payment was neither expected nor planned for.

The UI has yet to answer the claim other than to say it was received and was being reviewed by the university counsel and the state's Office of Risk Management.

We hope some satisfactory agreement can be reached between the parties before the issue heads to the court system.

It is important to the UI to be as forthcoming as possible in how it honors agreements.

The economy is not stable enough for the university to set a fiscal course that lasts too many years.

Who knows, the school may find itself in a bind, as it did after the 2003 University Place debacle, and want to offer similar retirement incentives.

Getting people to sign up will be tough if the UI is saddled with a reputation of not keeping its promises.

— Murf Raquet, for the editorial board

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MOSCOW-PULLMAN
DAILY NEWS

WEATHER
Cloudy Thursday with snow showers; high of 30/10A

ecember 26, 2007 | Pullman, Washington & Moscow, Idaho | Volume 92, Number 309 • 50¢

Former UI employees cry foul

Early retirees consider class-action lawsuit after university makes changes to benefits package

By Hadley Rush
Daily News staff writer

Starting in 1999, the University of Idaho offered nearly 270 employees a retirement buyout that promised upfront cash, continued pay for health insurance and salary-equivalent life insurance.

Those employees argue the UI has failed to hold up its end of the deal, and are considering filing a class-action lawsuit against the university.

Wileen Anderson, one of four former UI employees who filed a notice of claims for damages with the Idaho Secretary of State's Office in Boise on Dec. 12, said the faculty and staff members were encouraged to retire because the UI wanted to bring in younger staff, assuming that new faculty would save the university money.

"They promised money upfront and promised to continue to pay health and life insurance," Anderson said. "It was on paper. We had contracts."

UI officials typically do not comment on pending litigation, but the university did release a one-paragraph statement regarding the allegations, which reads "The University of Idaho has received notice of a claim under Idaho's Tort Claims Act. The president's office received it on Dec. 12, 2007. The claim arises from revisions to the university's retiree benefits. The notice is being analyzed by university counsel and by the state's Office of Risk Management."

Anderson said she wasn't planning to retire from the UI when she did, but the buyout offer was so good she decided to take it.

"A number of us took the buyout," she said. "Between 1999 and 2003 they got us to sign and said they would guarantee our health insurance and life insurance. A year after everyone left, they came back and said we would have to pay."

The UI's Voluntary Separation and Retirement Opportunities Program stated that "in addition to cash payment," the employees' "medical insurance will be paid by UI."

According to the 10-page notice of claims for damages, a university legal counsel e-mail was sent Feb. 7, 2002, to UI deans, executive council members and VSROP contacts "to clearly state to all employees that participants in the VSROP will receive medical insurance with UI paying the premiums for the former employee."

See LAWSUIT, Page 3A

Lawsuit

from Page 1A

Anderson said she and others would have been more than willing to work with the university because they "understand that retiree benefits are expensive."

"They just said, 'This is what we're going to do.' We made every attempt to work with them," she said.

Anderson said concerned retirees initially talked to UI President Tim White, who said he'd "get back to" them.

"He never did," Anderson said. "The next time we heard from him, they said they were going to do this anyway."

Anderson said above all, many faculty and staff members feel shafted by the university they devoted their working lives to.

"We were very reluctant to go this far," she said of the notice of claims of damages. "We really have strong feelings for the university; we devoted a lot of time in our life."

Anderson said the university's actions are worrisome.

"They are a higher-education university," she said. "What kind of an education are they providing if they treat people this way?"

Other claimants in the notice of claims are former UI employees Harvey Neese, Joyce Presby and Arthur Smith.

"There have been four of us that have been very active in getting this (court claim) going," Anderson said. "We're concerned about the UI's integrity. You don't get someone to retire and then go back and say you're going to take that away."

Anderson said part of the problem many former UI employees are now facing is the cost associated with life insurance they thought would be covered by the university.

"The older you get the more (life insurance) costs because of age," Anderson said. "It would have been less expensive for me to buy that then than now."

Anderson said the notice of claims for damages is not an attempt to "get money" from the university, but instead to hold the university accountable.

"We signed on the dotted line," she said. "We like to think that we stand for something and we don't believe in what they're doing."

Hadley Rush can be reached
at (208) 882-5561, ext. 239,
or by e-mail at hrush@dnews.com.

50 CENTS

UI retirees not thrilled about benefit changes

Claim for damages states UI broke promises it made when employees agreed to retire early

12/25/07

By JOEL MILLS
OF THE TRIBUNE

MOSCOW — Nearly 270 University of Idaho retirees think they were cheated out of special benefits they were given for retiring early, and are considering a lawsuit against their former employer.

Earlier this month, the retirees put the university on notice with a claim for damages filed with the Idaho Secretary of State's Office in Boise. In the claim, which is a precursor to a lawsuit, the retirees say the university broke deals it cut with them in 1999 and 2002 to make way for new faculty and to save money.

"It was a deal," said T. Alan Place, a retired mechanical engineering professor and a member of the class action, which involves about 268 retirees. "The university administration is reneging on that deal. We're now getting higher deductibles, we're getting poorer health care offerings, and there's now a cost to health care that we didn't have before."

The 11-page claim says that by agreeing to leave their jobs early, the retirees did the UI a favor and helped it save millions of dollars. "These retirees terminated their employment, relinquished employee benefits, and selected pension options relying upon these promises from the University," it states.

The UI does not typically comment on pending litigation, but it issued a statement that President Tim White's office had received notice of the claim.

> See **CHANGES**, page 5A

TUESDAY, DECEMBER 25, 2007 LEWISTON TRIBUNE

CHANGES: UI retooling benefits to save money

> Continued from PAGE 1A

"The claim arises from revisions to the university's retiree benefits," the statement said. "The notice is being analyzed by university counsel and by the state's Office of Risk Management."

The university has 90 days to respond to the claim. The State Board of Education, which doubles as the UI's Board of Regents, is named as a co-defendant.

Like many public institutions, the UI has been retooling its employee and retiree benefits packages over the last few years to reduce its financial liabilities. But any widespread problems brought on by rising costs of health care and other benefits were worsened by the actions of the UI, Place said.

"There seems to be an all-out assault on fringe benefits by this administration," he said, adding that the university set itself up for failure when it switched to a self-insured plan in the late 1980s. "The university is far too small a pool to be self-insured. If you get somebody that's got really expensive ailments, then you're draining the pool of resources very rapidly."

Place said the UI essentially pulled the rug out from under its most loyal servants. As an example, he pointed to a $1 million lifetime cap on medical benefits instituted after retirees agreed to the early buyouts.

At a human resources meeting where retirees were discussing the cap, Place said a woman who had been fighting cancer raised her hand and said she her medical expenses were already at $1 million.

"What the university is essentially saying is 'Thanks for the 30 years of service, sorry you've got cancer, goodbye,'" Place said.

He said current employees are also suffering from changes to their benefits, but are not eligible to join the retirees' class action claim. "Their benefits are eroding so fast it's unbelievable," Place said.

Specifically, the retirees claim the UI enticed them into retirement with offers to pay for medical and life insurance premiums. But changes enacted this year require them to pay health insurance premiums, and reduced their life insurance coverage, according to the claim.

The programs were known as the Early Retirement Incentive Program, offered in 1999, and the Voluntary Separation and Retirement Opportunities Program, offered in 2002. The EIRP encouraged older faculty members to retire so new people could be hired, and VSROP raised $7 million that had to be repaid to the state under the 2002 statewide budget holdback ordered by former Gov. Dirk Kempthorne, according to the claim.

"The University's implementation of the 2007 benefit changes violated each claimant's rights under the applicable EIRP or VSROP contract," the claim states.

The retirees are seeking the restoration of their benefits, and repayment of any out-of-pocket costs they incur while the claim is pending, Place said. The claim states that for medical insurance, each claimant must pay $240 per year, for a total of more than $64,000 per year. The retirees are also paying to replace the life insurance coverage they lost, which is an unspecified portion of the $1.3 million the UI saved by making changes to life insurance benefits, according to the claim.

The retirees are not seeking punitive damages.

Mills may be contacted at jmills@lmtribune.com or (208) 883-0564.

TOWN CRIER III

Daily News 1/9/08

A good post-holiday knuckle-rapping rant

Martha Godchaux

Now that the holiday season is well and truly over for another year, and all the thriftily preserved Christmas paraphernalia are packed away in an organized fashion (more or less), we can turn to other matters.

In fact, now that we've been unbearably nice to everyone whose path we've crossed for a solid month, and pretended not to notice that it's already dark when we awaken from nodding off after lunch, it's time for a good rant.

It has come to this columnist's attention that even during the season of good will toward men, certain entities have shown themselves to be somewhere between less-than-charitable and downright sneaky in their dealings with the rest of us.

First on the list of offenders are the big corporate banks that issue major credit cards. Over the past several years there has been a steady erosion of the number of days between receipt of one's monthly bill and the payment due date, shortening the operative "grace period" from the historical average of three weeks to a more recent 11 days. In December, however, that interval is manipulated to shrink to as little as six business days, virtually assuring that many of us will be sucked into the late-payment trap even if we mail the check back on the same day. The fine print in the contract states that a payment arriving after 10 a.m. on the due date will incur a late fee. Taking into account weekends and holidays, here's a real-life example: A VISA bill (cycle closing date Dec. 5) arrives in the unlucky cardholder's mailbox on Dec. 15, and the payment due date is Dec. 25. (If you think that date is fortuitous, I'd be happy to sell you a bridge.) A glance at the calendar reveals that there are only six days on which mail moves between Dec. 15 and Dec. 25, and the payment office will not be open to receive mail on Dec. 22, 23 or 25.

To make matters worse, the managers of those offices instruct clerks to "misplace" the incoming payments if by some miracle they actually arrive Dec. 24. Given that holiday spending typically swells the December bill for most of us, the ghouls who run the credit card divisions of the big banks are salivating green ooze at the thought of all those delicious late fees and interest charges. They know it's a busy season for everyone, especially the parents of young families, and the putative slowness of Christmas mail and uncertainty of December weather will provide them with cover. If this scam happens to you, you may be tempted to call that nice young lady in Hyderabad, improbably named Suzy or Buffy, and scream obscenities at her, but you probably won't because a) that's getting more difficult to do, what with the interminable "press-the-pound-key-to-self-immolate" menu, and b) the bank's policy really isn't Suzy's fault.

You can write a terse, obscenity-free letter to Customer Service, stating calmly that you are closing your account because they are such a grasping bunch of sleazy bastards who — ooops. Sometimes the letter approach will result in a phone call from Suzy's supervisor, saying unctuously that they are so sorry for the error; the charge will be removed, blah, blah, blah. Of course there's also the risk the bank actually will close the account.

Second on the list of offenders is an institution closer to home than the big bank headquarters — the University of Idaho. Specifically, those administrators who make decisions about benefits deserve one more rap on the knuckles, even though articulate critiques of recent decisions have already appeared on this page.

The ink on the VSROP contracts was barely dry when the announcement was made that henceforth the university would contribute nothing toward health insurance premiums for retirees' dependents. This was unkind, but not illegal, as dependents' health care had not been written into the VSROP contracts. Later came the announcement that retirees themselves would no longer have premiums paid in full, despite an explicit contractual guarantee they would be covered for life. Completing the triple whammy, the university backed away from providing domestic partner benefits. Clearly, when the almighty dollar conflicts with niceties like honoring contracts or simply doing the right thing, these administrators have the moral courage of your average slime mold.

Martha Godchaux is a semi-retired geologist. Born, raised and educated in New England, she has lived in Moscow for nearly two decades, enjoying the beauties of the Northwest and the proximity to several grandchildren. Town Crier III is a weekly series of columns contributed by 13 local writers. The Town Crier columns run on Wednesday.

Former University of Idaho employees brace for the worst

Daily News 1/19/2008

Group of retirees consider class-action lawsuit, they allege university failed to meet contractual obligations

By Hadley Rush
Daily News staff writer

John Hendee and other disgruntled University of Idaho retirees are waiting out a 90-day period the UI has to respond to a claim filed against it by four former employees in December that could be a precursor to a class-action lawsuit.

The former employees are considering further legal action against the university, alleging the university failed to deliver on contractual promises of up-front cash, continued pay for health insurance and salary-equivalent life insurance policies in a retirement buyout offered in 1999. About 270 former UI employees took the buyout offers.

Hendee, a former dean in the UI College of Forestry, said the incentives the university offered him were a deciding factor in his retirement.

"No one works forever," Hendee said. "I was getting older, but I could have worked for several more years. This was part of the package that was explained to me when I came to the University of Idaho."

Hendee, who retired from the UI in 2002 and moved to Sausalito, Calif., said he's also concerned because as dean of his department, he hired new faculty and told them they would receive the same retirement benefits he was offered when he took his position.

"I explained to them that this was the University of Idaho's policy. ... You take jobs based on the policy and how they treat their people," Hendee said. "I feel badly because my integrity was impugned."

UI officials released a one-paragraph statement in December regarding the allegations. It reads, "The University of Idaho has received notice of a claim under Idaho's Tort Claims Act. The president's office received it on Dec. 12, 2007. The claim arises from revisions to the university's retiree benefits. The notice is being analyzed by university counsel and by the state's Office of Risk Management."

UI officials are abstaining from further comment.

Hendee said he was promised lifetime health insurance at no cost, which he calculated would be equal to or greater than $100,000 over the rest of his life.

To replace his insurance at the prices the UI offered, Hendee said he'd be paying $178 per month, or $2,136 per year.

Hendee said he and his wife have seven children and eight grandchildren — with another on the way — who will be affected by the situation.

"They also took away the $1,000 spousal life insurance coverage," he said. "Everybody likes the idea of leaving a legacy, including something for your heirs. It's going to affect my heirs and (my) financial planning."

Former UI employee Harvey Neese — who is listed as a claimant along with Wileen Anderson, Joyce Presby and Arthur Smith — said he saw a red flag when the UI's Benefit Program Task Force completed its work in September 2006, months after final decisions were included in an annual report filed in June of that year.

"If you look at the annual report

See RETIREES, Page 8A

Retirees

from Page 1A

that was due June 30 (2006), the main parts including co-pay, reduced benefits and (life) insurance being cut to $10,000 was included," Neese said.

Neese, who began working for the UI tending to flower beds as a junior in high school, said he's baffled by the university's decision to treat former employees this way.

"I never had a bad thought about the University of Idaho until this, and it really hurts," Neese said. "None of us would have ever thought this would happen."

Neese worked for the university via the Post Harvest Institute for Perishables, an international program he said brought in millions of dollars for the university.

Neese said he thinks the UI should have "grandfathered-in" the approximately 270 employees who were contracted benefits, and then tapered down what it offered to other employees.

"That's the way the administration in the past would have done it," he said. "I don't know what to think about these people."

Earl Bennett, former dean of the UI College of Mines, said he isn't concerned about the money.

"It's no impact to me as far as the money goes," Bennett said. "It's got nothing to do with money. The UI said they were going to do this for people and now they aren't."

Bennett said although the UI has 90 days to respond, he doesn't expect it to do so. That may spark a full-blown lawsuit.

"My guess is the university will do nothing," he said. "And I think it may very well turn into a class-action (lawsuit) if they do nothing."

Bennett said he thinks the 90-day time period is of little interest to the UI.

"They can afford to sit on this forever," he said. "Time is on their side. It always is in these legal actions."

Bennett said the current administration is part of the problem in resolving the matter.

"It's a brand new administration," he said. "They have very little past knowledge, and that's part of the issue right there, ... a bunch of new guys (in) there."

Hendee said if there was one word to sum up the situation, it would be "disappointed."

"I loved the University of Idaho," he said. "And I feel the UI's integrity is impugned by reneging on signed contracts they made with people who gave the best years of their careers."

Hendee said despite the financial turmoil the university has caused some of its retirees, he has hope it will "reflect on the importance of living up to signed contracts."

"I'm still proud to have been connected with the UI and I will continue to support her, but I hope they do the right thing," he said.

Hadley Rush can be reached at (208) 882-5561, ext. 239, or by e-mail at hrush@dnews.com.

LETTERS TO THE EDITOR

League of Women Voters will put a copy of this information at Neill Public Library.

If you have questions about the information, please call me.

Karen Kiessling
Voter Service Committee
Pullman League of Women Voters

Treatment by UI not appreciated

I have never written a letter to the editor, but this is a subject that affects both my wife and I plus a lot of our friends and fellow retirees.

My wife and I were born and raised in Moscow, as were our parents. The University of Idaho has meant a lot to us and our families other than just a place of employment, as we have taken classes, attended plays, athletics, etc.

We would have stayed employed at the UI until full retirement if the early retirement package had not been offered to us with full medical and death benefits paid for the rest of our life.

It sure hurts to think that after the years of employment, participation in university functions, donations and caring for the UI, that this is the way the administration is trying to treat us.

Bud and Jan Weinmann
Moscow

Daily News 2/12/08

Stay prepared for driving in snow

I've seen this happen throughout the region too often this winter.

Many drivers I have come across in this wintery season have been doing it right, but a distressingly high percentage need a reminder.

Thursday was the last straw. Most seem to be slowing down sufficiently now, but too many drivers are driving around in snowstorms without their lights on.

Please, we all need the enhanced visibility in often white-out conditions. If you are not driving with your lights on you are a hazard.

The same goes for those who do have their lights on but have not taken the time to clean off your headlights and blinkers. Might as well just not turn them on.

Please take a moment to properly clean off your vehicle.

Jeremy Lessmann
Pullman

OUR VIEW (UI Argonaut Editorial Jan. 11, 2008)

HONOR THY WORD

In the midst of the changes and challenges of restructuring the benefits packages of current employees comes word of a potential lawsuit between UI and a group of retired faculty and staff. The claim filed with the Secretary of State indicates that the university is in breach of contract concerning promised medical and life insurance benefits to employees who accepted early retirement in 1999 and 2002.

The first wave of early retirees did so in order to make room for new faculty to be brought in. The second wave, however, did so in order to avoid potential layoffs. The retirees not only signed contracts for benefits if they retired during a "limited window of opportunity" but had the solemn promise of the university and the State Board of Education that these benefits would not change.

The language of the claim says that voluntary retirement was "encouraged and induced" by the university and the Board, but retirees agreed to the contract because it seemed like a good deal and, in the case of the 2002 retirees, would assist the university in raising $7 million needed to repay the state for an emergency budget reduction ordered by former governor Dirk Kempthorne. So much for a promise.

The disputed changes required retirees to choose between two medical benefits plans in June, one requiring a monthly payment for the same benefits and a second that required no additional payments but reduced the benefits.

The benefits being paid to these retirees, many who were tenured faculty and honored staff, were not more than what they would have received if they had remained with the university. They were not receiving special treatment different from other retired university employees, they were simply afforded the opportunity to retire early and offered a deal to make the decision easier, all for the benefit of UI.

The university has 90 days to make this right. It is a simple solution that seems to have gone over the head of the leaders we are supposed to be looking up to. As former dean of the College of Mines Earl Bennett said, "The UI just doesn't need any more bad publicity." Fulfilling promises and keeping to contracts are attributes inherent in an honorable institution. That it can boost the image of the university should be a secondary concern to doing what is right.—TJT

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SUBJECT

Idaho State Board of Education 2009-20013 Strategic Plan

REFERENCE

March 27, 2008	Board reviewed initial Strategic Plan proposal

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section I.M.1. Section 67-1903, Idaho Code.

BACKGROUND

The State of Idaho requires the Board and agencies and institutions of the board to submit a strategic plan each year in July. This draft strategic plan has been developed by Board staff with input from the agencies and institutions.

DISCUSSION

This draft plan was presented to the Board at their March 27, 2008, meeting and has been revised slightly to reflect further recommendations from agencies and institutions. As required by state statute, the strategic plan includes performance measures and benchmarks for each objective contained in the strategic plan. These performance measures and benchmarks may require some modification in the future based on availability of relevant data.

Along with the Strategic Plan, are planning calendars (calendar year 2008 and calendar years 2009-2013) which address planning timelines for strategic planning, performance reporting, budgeting, academic programs, and legislative proposal development.

IMPACT

This Strategic Plan will help direct the Board and Board governed agencies and institutions efforts during the next several years, and provide significant guidance and direction for planning and budget development.

ATTACHMENTS

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends that the Board review and approve both the plan and calendar.

BOARD ACTION

A motion to approve the State Board of Education Strategic Plan and Planning Calendar as submitted. Specific performance measures and benchmarks included in this plan may be modified, as appropriate, by approval of the Board's Executive Committee.

Moved by __________ Seconded by __________ Carried Yes _____ No _____

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Idaho State Board of Education Strategic Plan 2009-2013

Vision:
The State Board of Education envisions an accessible, seamless public education system that provides for an intelligent and well-informed citizenry, contributes to the overall economy, and improves the general quality of life in Idaho.

Mission:
The Idaho educational system, consisting of the diverse agencies, institutions, school districts, and charter schools governed by the Board, delivers public primary, secondary, and postsecondary education, training, rehabilitation, outreach, information, and research services throughout the state. These public organizations collaborate to provide educational programs and services that are high quality, readily accessible, relevant to the needs of the state, and delivered in the most efficient manner. In recognition that economic growth, mobility, and social justice sustain Idaho's democratic ideals, the State Board of Education endeavors to ensure our citizens are informed and educated in order to achieve a higher quality of life and effectively participate in a democratic society.

Authority and Scope:
The Idaho Constitution provides that the general supervision of the state educational institutions and public school system of the State of Idaho shall be vested in a state board of education. Pursuant to Idaho Code, the State Board of Education is charged to provide for the general supervision, governance and control of all state educational institutions, to wit: Boise State University, Lewis-Clark State College, the School for the Deaf and the Blind and any other state educational institution which may hereafter be founded, and for the general supervision, governance and control of the public school systems, including public community colleges. The State Board of education shall be known as the State Board of Education and Board of Regents of the University of Idaho.

State Board of Education Governed Agencies and Institutions:

Educational Institutions	Agencies
Idaho Public School System	State Department of Education
Idaho State University	Division of Professional-Technical Education
University of Idaho	Division of Vocational Rehabilitation
Boise State University	School for the Deaf and the Blind
Lewis-Clark State College	Office of the State Board of Education
Eastern Idaho Technical College	Idaho Public Broadcasting System
College of Southern Idaho*	Idaho State Historical Society**
College of Northern Idaho*	Commission for Libraries**
College of Western Idaho*	
*Also have separate, locally elected oversight boards	**Also have separate oversight boards appointed by the State Board of Education

Goal I: Quality – Sustain and continuously improve the quality of Idaho's public education, training, rehabilitation, and information/research programs and services.

Objectives for quality:

1. Continue developing a career continuum and compensation system for all teachers, faculty, and staff that rewards knowledge, skills and productivity; and promotes recruiting, hiring, and retention.
   - *Performance Measure:*
     - Board governed agency and institution personnel total compensation as a percent of peer organizations.
   - *Benchmark:*
     - Teachers, faculty, and staff should enjoy good working conditions and be compensated at levels comparable (90-100 percent) to peer public and private organizations (normalized by the Consumer Price Index and location).

2. Strive for continuous improvement and increased level of public confidence in the education system through performance-based assessments and accountability, and monitoring of accreditation processes.
   - *Performance Measure:*
     - The number of schools and districts meeting or exceeding Adequate Yearly Progress (AYP) each year.
   - *Benchmark:*
     - Number of schools and districts meeting or exceeding AYP each year to 100% by 2013.

   - *Performance Measure:*
     - Schools, institutions, and agencies accreditation results.
   - *Benchmark:*
     - Schools, institutions, and agencies meet or exceed accreditation standards.

3. Increase the availability of highly qualified teachers, especially in high need areas.
   - *Performance Measure:*
     - Number of Idaho teachers who are certified each year by specialty.
   - *Benchmark:*
     - Numbers of certified teachers are adequate to meet demand.

4. Enhance the State's infrastructure and capacity for biomedical research through collaborative efforts between our three public universities and the Veterans Affair Medical Center (VAMC) Biomedical Research Expansion Initiative.
   - *Performance Measure:*
     - Total dollar amount of grants for biomedical research (funded externally from state resources).

    - Number of biomedical researchers being trained and number of researchers engaged in biomedical research at the VAMC facility.
  - *Benchmark:*
    - Total dollar value of biomedical research grant funding (external of state resources) increases.

5. Improve the service delivery model for infants, toddlers, children, and youth who are blind, visually impaired, deaf, or hard of hearing, including those with additional disabilities or deafblindness.
   - *Performance Measure:*
     - Satisfaction of parents of infants, toddlers, children, and youth who are blind, visually impaired, deaf, or hard of hearing, including those with additional disabilities or deafblindness.
   - *Benchmark:*
     - The number of parents of infants, toddlers, children, and youth satisfied with services in the state will be at least 90%.

6. Continuously evaluate and make additions as necessary to service delivery models for transition age youth and adults with disabilities.
   - *Performance Measure:*
     - The number of eligible transitioning youth and adults who have become successfully employed.
   - *Benchmark:*
     - The number of youth and adults successfully employed will be equal to or greater than the preceding year.

7. Support and enhance the state's infrastructure and capacity for advanced energy studies through collaborative efforts between our three public universities and the Idaho National Laboratory at the Center for Advanced Energy Studies.
   - *Performance Measure:*
     - Total dollar amount of grants for advanced energy studies (funded externally from state resources).
   - *Benchmark:*
     - Total dollar value of advanced energy studies grant funding (external of state resources) increases.

8. Foster an academic environment that encourages and enables cooperative (public/private partnerships) efforts to engage in relevant research.
   - *Performance Measure:*
     - External funding for research per faculty FTE.
   - *Benchmark:*
     - External funding for research per faculty FTE is equivalent to peer institutions.

Goal II: Access – Continuously improve access for individuals of all ages, abilities, and economic means to the public education system, training, rehabilitation, and information/research programs and services.

Objectives for access:

1. Increase participation of secondary students in advanced opportunities programs for receiving postsecondary credits (Advanced Placement Courses, dual credit, Tech-Prep, and International Baccalaureate).
   - *Performance Measure:*
     - Number of schools/districts offering advanced opportunities in each program and the total number of students enrolled in each program.
   - *Benchmark:*
     - One hundred percent of secondary schools offer advanced opportunities.
     - Students enrolled in advanced opportunities programs will increase.

2. Maintain and increase high school graduation rates, especially for minority students.
   - *Performance Measure:*
     - Percentage of 9^{th} grade students graduating from high school.
   - *Benchmark:*
     - Increase the percentage of 9^{th} grade students graduating from high school.

3. Increase student access to educational opportunities by reducing barriers to efficient transfer of credit and student status.
   - *Performance Measure:*
     - Number of transfer students, average number of credit hours requested for transfer, and average number of credit hours (as a percent total requested) accepted for transfer by the institution.
   - *Benchmark:*
     - At least 90% of credits requested will transfer for students (with two or less years of postsecondary education) when transferring from one of Idaho's regionally accredited postsecondary institutions to another Idaho regionally accredited postsecondary institution.

4. Increase access to postsecondary education by improving students' ability to pay for educational costs.
   - *Performance Measure:*
     - The percent of educational costs covered by loans.
   - *Benchmark:*
     - The percent of expenses paid by loans will decrease.

5. Improve the rate of high school graduates advancing to postsecondary education.
   - *Performance Measure:*
     - Number of high school graduates (as a percent of total graduates) advancing to postsecondary education.

- *Benchmark:*
  - At least 50% of high school graduates will register as full-time or part-time postsecondary students after graduating high school.

6. Increase student access to relevant medical education programs (nursing, physician assistant, health technicians, and physicians).
   - *Performance Measure:*
     - Number of nurses, physician assistants, health technicians, and physicians per 100K of Idaho's population.
   - *Benchmark:*
     - Number of nurses, physician assistants, health technicians, and physicians (per 100K of Idaho's general population) will increase each year until comparing favorably with other states in the Northwest.

Goal III: Efficiency – Deliver educational, training, rehabilitation and information/research programs and services through the public education system in a manner which makes effective and efficient use of resources.

Objectives for efficiency:

1. Improve the quality and efficiency of data collection and reporting for informed decision-making.
   - *Performance Measure:*
     - Adequacy and scope of data collection systems.
   - *Benchmark:*
     - Number of systems developed and implemented.

2. Improve the postsecondary program completion rate.
   - *Performance Measure:*
     - Number of full-time, first-time students from the cohort of new first year students who complete their programs with in 1½ times the normal program length.
   - *Benchmark:*
     - Number of first year students who complete their program will be equivalent to the top 30% of the institutions' peers.

3. Develop the most efficient and cost effective delivery system for adequately meeting the needs of infants, toddlers, children, and youth who are blind, visually impaired, deaf, or hard of hearing, including those with additional disabilities or deafblindness.
   - *Performance Measure:*
     - Cost, proximity, and adequacy of services provided.
   - *Benchmark:*
     - Services meet delivery standards and are efficient compared to similar delivery services in other states.

4. Improve the use of postsecondary educational resources.
   - *Performance Measure:*
     - The program cost per credit hour.
   - *Benchmark:*
     - Cost per credit hour will be consistent with institutional best practices.

5. Improve Board of Education policy pertaining to higher education tuition waivers to ensure the most efficient use of educational resources.
   - *Performance Measure:*
     - Enrollment as a percentage of capacity.
   - *Benchmark:*
     - Use of tuition waivers will maximize use of institutional resources.

Key External Factors
(beyond control of the State Board of Education):

Funding:

Most State Board of Education strategic goals and objectives assume on-going and sometimes significant additional levels of State legislative appropriations. Availability of state revenues (for appropriation), gubernatorial, and legislative support for some Board initiatives can be uncertain.

Legislation/Rules:

Beyond funding considerations, many education policies are embedded in state statute or rule and not under Board control. Changes to statute and rule desired by the Board of Education are accomplished according to state guidelines. Rules require public notice and opportunity for comment, gubernatorial support, and adoption by the Legislature. Proposed legislation must be supported by the Governor, gain approval in the germane legislative committees and pass both houses of the Legislature.

School Boards:

The Board of Education establishes rules and standards for all Idaho public K-12 education, but Idaho provides for "local control of school districts." Elected school boards have wide discretion in hiring teachers and staff, school construction and maintenance, and the daily operations of the public schools.

Federal Government:

A great deal of educational funding for Idaho public schools is provided by the federal government. Funding is often tied to specific federal programs and objectives, and therefore can greatly influence education policy in the State.

CY2008 Strategic Planning/Performance Reporting /Budgeting Worksheet

Month	**Strategic Planning**	**Performance Reporting**	**Eight-year Academic Programs Plan (semi-annual cycle)**	**Budgeting**	**Proposed Legislation**
Jan		-The SBOE reviews NWCCU accreditation results as available.	-Higher Education institutions hold regional meetings and begin drafting a regional plan for academic and professional-technical program offerings over the next 8 years.		
Feb			- Institutions continue to cooperatively draft regional plans.		
Mar	-Special SBOE strategic planning meeting to review legislative requirement, previous Board plans, and set course for the current planning cycle. At this time the SBOE will conduct a self-evaluation of its own performance and revise, as necessary, its policies to ensure the SBOE continues to operate in an effective and efficient manner. In **late-March** SBOE/OSBE provides strategic planning guidance to the agencies and institutions. -Agencies and institutions start updating (and reformatting, if required) their strategic plans.	-As part of the strategic planning special meeting, SBOE reviews previously used performance measures and benchmarks providing guidance for the current reporting cycle.	-Institutions (all regions) meet to conduct a statewide needs assessment for academic and professional-technical program offerings over the next 8 years.		
Apr	-SBOE is briefed on next FY legislative appropriations and new legislation as it impacts SBOE governed agencies and institutions. -SBOE reviews and approves SBOE strategic plan (revised format and a new year added). -SBOE receives final	-In **April** SBOE/OSBE provides performance measure/reporting guidance to the agencies and institutions. Agencies and institutions will provide anticipated performance measures to OSBE. **-Early-April** agencies and institutions submit proposed performance	-Institutions share their respective draft 8 year plans with OSBE and the other institutions.	-SBOE is briefed on next FY legislative appropriations and new legislation as it impacts SBOE governed agencies and institutions. -SBOE provides budget	

	DFM strategic plan guidance (for governed agencies and institutions).	measures/benchmarks (including continued use of current measures, if appropriate) for review/approval by SBOE. -SBOE/OSBE receives final DFM performance reporting guidance (for governed agencies and institutions).		guidelines (including line items) to the agencies and institutions.	
May	-Presidents and agency head evaluations and review of institution/agency performance, strategic plan development, and goals for next four years. -Agencies and Institutions continue updating their strategic plans for submission to the SBOE prior to **June** agenda cutoff.	-SBOE reviews and approves agency and institution proposed performance measures and benchmarks. -Agencies begin collecting performance data (state fiscal year) for inclusion in their FY 2008 performance report.		-Agencies and institutions submit estimated line items to OSBE prior to **June** Board agenda cutoff.	-Agencies and institutions notified to submit legislative ideas and suggestions to OSBE prior to **June** Board agenda cutoff.
Jun	-SBOE reviews and approves updated agency and institution strategic plans.	-OSBE approves agency and institution performance standards.	-Institutions meet to formally present their 8 year plans.	-SBOE provides budget MCO guidelines to the agencies and institutions. -OSBE provides guidelines and budget template to agencies and institutions for MCO submission (prior to **August** Board agenda cutoff). -SBOE reviews and approves agency and institution line item requests.	-SBOE reviews, approves, and provides guidance concerning proposed agency and institution legislative ideas.
Jul	-OSBE submits SBOE approved agency and institution strategic plans (revised if required by the Board) to DFM by the **early-July** deadline.	-The SBOE reviews NWCCU accreditation results as available.	-Institutions meet to coordinate and finalize their 8 year plans for presentation to the Board in **August**. -OSBE staff verifies 8 year plans are compatible with institution role and mission, SBOE strategic plan and	-Agencies and institutions submit estimated MCO budget to OSBE prior to **August** Board agenda cutoff.	

			performance reporting.		
Aug		-Agencies and institutions submit agency and institution performance reports to OSBE in **<u>late-August</u>**.	-Final 8 year plan for academic and professional-technical program offerings presented to the Board for approval.	-SBOE reviews and approves <u>final</u> budget request for next FY. -Draft budget request input to DFM automated system (by agencies and institutions) with a copy of supporting materials sent to OSBE. -OSBE reviews agency and institution budget submissions to ensure compliance with SBOE guidance. -In **<u>late-August</u>** all budget documents returned to OSBE for final submission to DFM and LSO.	-OSBE submits legislative ideas to DFM prior to the required **<u>early-August</u>** deadline. -Governor's Office and DFM review legislative ideas. -OSBE begins development of approved legislative ideas into draft legislation (as appropriate).
Sep	Board conducts a self-assessment.	-OSBE submits approved agency and institution performance reports to DFM by the required **<u>early-September</u>** deadline.		-Final budget requests forwarded to DFM and LSO by the **<u>early-September</u>** deadline.	-Proposed (final draft) legislation is due to DFM about **<u>mid-September</u>**.
Oct	-SBOE reviews Board's strategic plan. -SBOE reviews self-assessment and makes recommendations for improvements.	-SBOE reviews performance data from institutions and agencies for the previous year. Review forms the basis for revising strategic plan.		-SBOE strategic planning summit includes financial outlook and impact of the zero-based budgeting initiative.	-Proposed legislation is approved by the SBOE. DFM forwards to LSO by **<u>mid-October</u>**.
Nov	-Staff develops and finalizes (in collaboration with the agencies and institutions) the next annual update to the strategic plan.	-OSBE updates performance measures to align with the Board's strategic plan.			-Proposed legislation in <u>bill format</u> returned by LSO to OSBE for review and final changes.
Dec	-SBOE review and approves the annual updated/revision to	-SBOE/OSBE approves performance measures for the Board and			**<u>-Early-December</u>** is the final date for

	the strategic plan for the next FY.	OSBE's strategic plans. This includes those based on the review of self-assessment.			changes to legislative proposals. Bills with substantive changes are resubmitted to SBOE for approval.

CY2009-2013 State Board of Education Strategic Planning/Performance Budgeting Worksheet

Month	Strategic Planning	Performance Reporting	Eight-year Academic Programs Plan (semi-annual cycle)	Budgeting	Proposed Legislation
Jan	-Agencies and Institutions start updating their strategic plan based on SBOE guidance and strategic plan.	-The SBOE reviews NWCCU accreditation results as available.	-Higher Education institutions hold regional meetings and begin drafting a regional plan for academic and professional-technical program offerings over the next 8 years.		
Feb	-Agencies and Institutions continue updating their strategic plans.		- Institutions continue to cooperatively draft regional plans.		
Mar	-Agencies and Institutions finalize their strategic plan updates for submission to the SBOE prior to **April** agenda cutoff.	-Institutions and agencies revise performance measures and benchmarks to align with strategic plan.	-Institutions (all regions) meet to conduct a statewide needs assessment for academic and professional-technical program offerings over the next 8 years.		
Apr	-SBOE is briefed on next FY legislative appropriations and new legislation as it impacts SBOE governed agencies and institutions. -SBOE reviews and approves updated institution and agency strategic plans. -SBOE receives final DFM strategic plan guidance (for governed agencies and institutions).	**-Early-April** agencies and institutions submit proposed performance measures/benchmarks (including continued use of current measures, if appropriate) for review/approval by SBOE. (Note: These measures are for the fiscal year beginning July 1.) -SBOE/OSBE receives final DFM performance reporting guidance (for governed agencies and institutions). -SBOE reviews and approves agency and institution proposed performance measures and benchmarks.	-Institutions share their respective draft 8 year plans with OSBE and the other institutions.	-SBOE is briefed on next FY legislative appropriations and new legislation as it impacts SBOE governed agencies and institutions. -SBOE provides budget guidelines (including line items) to the agencies and institutions.	
May	-Presidents and agency head evaluations.			-Agencies and institutions submit estimated line items to OSBE prior to **June** Board	-Agencies and institutions notified to submit legislative ideas and

				agenda cutoff. -Institutions and agencies submit 8 year strategic operation plans (all funds) to OSBE prior to the cutoff for **June** Board meeting agenda. The 4-year institutions will also submit 8 year capital facilities and 8 year debt plans.	suggestions to OSBE prior to **June** Board agenda cutoff.
Jun	-SBOE makes any final adjustments in agency and institution strategic plans.		-Institutions meet to formally present their 8 year plans.	-SBOE provides budget MCO guidelines to the agencies and institutions. -OSBE provides guidelines and budget template to agencies and institutions for MCO submission (prior to **August** Board agenda cutoff). -SBOE reviews agency and institution line item requests. -SBOE reviews and approves agency and institution line item requests, 8 year strategic operating capital facilities and debt plans.	-SBOE reviews, approves, and provides guidance concerning proposed agency and institution legislative ideas.
Jul	-OSBE submits SBOE approved agency and institution strategic plans (revised if required by the Board) to DFM by the **early-July** deadline.	-The SBOE reviews NWCCU accreditation results as available.	-Institutions meet to coordinate and finalize their 8 year plans for presentation to the Board in **August**. -OSBE staff verifies 8 year plans are compatible with institution role and mission, SBOE strategic plan and performance reporting.	-Agencies and institutions submit estimated MCO budget to OSBE prior to **August** Board agenda cutoff.	
Aug		-Agencies and institutions submit agency and institution performance reports to OSBE in **late-August**.	-Final 8 year plan for academic and professional-technical program offerings	-SBOE reviews and approves final budget request for next FY.	-OSBE submits legislative ideas to DFM prior to the

			presented to the Board for approval.	-Draft budget request input to DFM automated system (by agencies and institutions) with a copy of supporting materials sent to OSBE. -OSBE reviews agency and institution budget submissions to ensure compliance with SBOE guidance. -In **late-August** all budget documents returned to OSBE for final submission to DFM and LSO.	required **early-August** deadline. -Governor's Office and DFM review legislative ideas. -OSBE begins development of approved legislative ideas into draft legislation (as appropriate).
Sep	Board conducts self-assessment.	-OSBE submits approved agency and institution performance reports to DFM by the required **early-September** deadline.		-Final budget requests forwarded to DFM and LSO by the **early-September** deadline.	-Proposed (final draft) legislation is due to DFM about **mid-September**.
Oct	-SBOE reviews Board's draft strategic plan. -SBOE reviews self-assessment and makes recommendations for improvements.	-SBOE reviews performance data from institutions and agencies for the previous year. Review forms the basis for revising strategic plan.		-SBOE strategic planning summit includes financial outlook and impact of the zero-based budgeting initiative.	-Proposed legislation is approved by SBOE. DFM forwards to LSO by **mid-October**.
Nov	-Staff develops and finalizes (in collaboration with the agencies and institutions) the next annual update to the strategic plan.	-OSBE updates performance measures to align with the Board's strategic plan.			-Proposed legislation in bill format returned by LSO to OSBE for review and final changes.
Dec	-SBOE review and approves the annual updated/revision to the Board's strategic plan for the next FY.	-SBOE/OSBE approves performance measures for the Board and OSBE strategic plans. This includes those based on the review of self-assessment.			**-Early-December** is the final date for changes to bills (legislative proposals). Bills with substantive changes are resubmitted to SBOE for approval.

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: I. GENERAL GOVERNING POLICIES AND PROCEDURES
SUBSECTION: M. Annual Planning and Reporting **August 2006**

M. Annual Planning and Reporting

1. Strategic Plans

   a. Boise State University, Idaho State University, Lewis-Clark State College, University of Idaho, North Idaho College, College of Southern Idaho, Eastern Idaho Technical College, Division of Professional-Technical Education, Division of Vocational Rehabilitation, Idaho Educational Public Broadcasting System, and the School for the Deaf and the Blind will develop and maintain five-year strategic plans.

      (1) Institution, school and agency strategic plans shall be aligned with the Board's strategic plan, be created in accordance with Board guidelines, and be consistent with assigned role and mission statements.

      (2) Plans shall be updated annually and submitted to the Board for approval.

      (3) Plans shall be submitted by the Board to the appropriate state administrative entity in order to meet the state's annual planning requirements.

   b. The Idaho State Historical Society and Idaho Commission for Libraries are recognized as unique collaborators in the state education system and are encouraged to report annually to the Board in accordance with these guidelines.

   c. Format

      Plans submitted to the Board annually should be as concise as possible and in accordance with a schedule and format established by the executive director.

      Plans should contain:

      (1) A comprehensive mission and vision statement covering the major programs, functions and activities of the organization.

      (2) General goals and objectives for the major programs, functions and activities of the organization, including a description of how they are to be achieved.

         (a) Institutions (including Professional-Technical Education) and the School for the Deaf and the Blind should address, at a minimum, instructional issues (including accreditation and student issues), infrastructure issues (including personnel, finance, and facilities), advancement (including foundation activities), and the external environment served by the institution.

(b) Agencies should address, at a minimum, constituent issues and service delivery, infrastructure issues (including personnel, finance, and facilities), and advancement (if applicable).

(3) Identification of key factors external to the organization that could significantly affect the achievement of the general goals and objectives.

(4) A brief description of the evaluations or processes to be used in establishing or revising general goals and objectives in the future.

TITLE 67
STATE GOVERNMENT AND STATE AFFAIRS
CHAPTER 19
STATE PLANNING AND COORDINATION

67-1903. STRATEGIC PLANNING. (1) Each state agency shall develop and submit to the division of financial management a comprehensive strategic plan for the major divisions and core functions of that agency. The plan shall be based upon the agency's statutory authority and, at a minimum, shall contain:

(a) A comprehensive outcome-based vision or mission statement covering major divisions and core functions of the agency;
(b) Goals for the major divisions and core functions of the agency;
(c) Objectives and/or tasks that indicate how the goals are to be achieved;
(d) Performance measures, developed in accordance with section 67-1904, Idaho Code, that assess the progress of the agency in meeting its goals in the strategic plan, along with an indication of how the performance measures are related to the goals in the strategic plan;
(e) Benchmarks or performance targets for each performance measure for, at a minimum, the next fiscal year, along with an explanation of the manner in which the benchmark or target level was established; and
(f) An identification of those key factors external to the agency and beyond its control that could significantly affect the achievement of the strategic plan goals and objectives.

(2) The strategic plan shall cover a period of not less than four (4) years forward including the fiscal year in which it is submitted, and shall be updated annually.
(3) The strategic plan shall serve as the foundation for developing the annual performance information required by section 67-1904, Idaho Code.
(4) When developing a strategic plan, an agency shall consult with the appropriate members of the legislature, and shall solicit and consider the views and suggestions of those persons and entities potentially affected by the plan. Consultation with legislators may occur when meeting the requirement of section 67-1904(7), Idaho Code.
(5) Strategic plans are public records and are available to the public as provided in section 9-338, Idaho Code.

SUBJECT

Transfer of GEAR UP Idaho Staff and Funding

BACKGROUND

GEAR UP (Gaining Early Awareness and Readiness for Undergraduate Programs) is a US Department of Education discretionary grant program. The Idaho State Board of Education applied for and received this grant in 2006. The grant program is designed to increase the number of low-income students who are prepared to enter and succeed in postsecondary education. The federal program provides six-year grants to states and partnerships to provide services at high-poverty middle and high schools.

DISCUSSION

Idaho's program currently has an average commitment of $1,200,000 per year from public and private institutions and their foundations for the remaining four years of the grant. Approximately $1,300,000 in support from other sources still remains to be achieved in order for the grant to make full use of all available federal funds. Idaho's GEAR UP Grant is scheduled through 2012. The grant provides up to $2,960,000 each year, based upon the availability of non-federal matching resources on a one-to-one basis and performance.

Early intervention services are provided to students beginning in the 7^{th} grade in 22 selected Idaho schools. Services continue through the 12^{th} grade. Those students who complete the program may be eligible for a substantial scholarship.

Recently the Governor and the Senate Education committee recommended that management of K-12 centered programs housed with the Board of Education be moved to the State Department of Education.

STAFF COMMENTS AND RECOMMENDATIONS

The implementation of this grant involves directly working with Idaho's K-12 schools and staff; while a large portion of the matching funds has been provided through Idaho's public institutions and their foundations.

BOARD ACTION

A motion to transfer the Gear Up program to the State Department of Education and to direct the Executive Director of the Board to work with Department of Education staff and the US Department of Education officials to take all steps necessary to effect the transfer by July 1, 2008.

Moved by __________ Seconded by __________ Carried Yes _____ No _____

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SUBJECT

2nd Reading – Board Policy Sections I.M.4. and III.M.3.

REFERENCE

March 27, 2008 — 1st Reading – Board Policy Section I.M.4. and III.M.3.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section I.A.5.b.

BACKGROUND

On March 27th, 2008 the Board approved the 1st reading of amendments to Idaho State Board of Education Governing Policies & Procedures, Section I.M.4. and III.M.3.

The Board approved the proposals, with the addition in Section I.M.1. of the College of Western Idaho to the list of institutions in Section I.M.4. and the revision in Section III.M.3 removing the reference to the five year evaluation visit to reflect NWCCU elimination of the five year accreditation visit. There have been no additional changes to either policy.

DISCUSSION

Approval of the proposed policies will improve the Board's ability to function efficiently and better meet the needs of the institutions as they participate in the accreditation process.

ATTACHMENTS

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends approval of Board policy, section I.M.4. and section III.M.3.

BOARD ACTION

A motion to approve the 2nd reading of the Idaho State Board of Education Governing Policies & Procedures, Section I.M.4.

Moved by __________ Seconded by __________ Carried Yes _____ No _____

And

A motion to approve the 2nd reading of the Idaho State Board of Education Governing Policies & Procedures, Section III.M.3.

Moved by __________ Seconded by __________ Carried Yes _____ No _____

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: I. GENERAL GOVERNING POLICIES AND PROCEDURES
SUBSECTION: M. Annual Planning and Reporting **March 2008**

M. Annual Planning and Reporting

1. Strategic Plans

a. Boise State University, Idaho State University, Lewis-Clark State College, University of Idaho, North Idaho College, College of Southern Idaho, College of Western Idaho, Eastern Idaho Technical College, Division of Professional-Technical Education, Division of Vocational Rehabilitation, Idaho Educational Public Broadcasting System, and the School for the Deaf and the Blind will develop and maintain five-year strategic plans.

(1) Institution, school and agency strategic plans shall be aligned with the Board's strategic plan, be created in accordance with Board guidelines, and be consistent with assigned role and mission statements.

(2) Plans shall be updated annually and submitted to the Board for approval.

(3) Plans shall be submitted by the Board to the appropriate state administrative entity in order to meet the state's annual planning requirements.

b. The Idaho State Historical Society and Idaho Commission for Libraries are recognized as unique collaborators in the state education system and are encouraged to report annually to the Board in accordance with these guidelines.

c. Format

Plans submitted to the Board annually should be as concise as possible and in accordance with a schedule and format established by the executive director.

Plans should contain:

(1) A comprehensive mission and vision statement covering the major programs, functions and activities of the organization.

(2) General goals and objectives for the major programs, functions and activities of the organization, including a description of how they are to be achieved.

(a) Institutions (including Professional-Technical Education) and the School for the Deaf and the Blind should address, at a minimum, instructional issues (including accreditation and student issues), infrastructure issues (including personnel, finance, and facilities), advancement (including foundation activities), and the external environment served by the institution.

(b) Agencies should address, at a minimum, constituent issues and service delivery, infrastructure issues (including personnel, finance, and facilities), and advancement (if applicable).

(3) Identification of key factors external to the organization that could significantly affect the achievement of the general goals and objectives.

(4) A brief description of the evaluations or processes to be used in establishing or revising general goals and objectives in the future.

2. Performance Measures

Performance measures will be developed in conjunction with the Board's planning process and will be updated annually for Board approval. Performance measures will be used to measure results, ensure accountability, and encourage continuous improvement to meet goals and objectives.

a. Postsecondary institutions will develop a set of uniform performance measures that will gauge progress in such areas as enrollment, retention, and graduation.

b. Each institution, agency and the school will develop unique measures tied to its strategic plan.

3. Progress Reports

Progress reports that include, but are not limited to, progress on the approved strategic plan, details of implementation, status of goals and objectives, and expanded information on points of interest and special appropriations will be provided to the Board at least once annually in accordance with a schedule and format established by the executive director.

4. Self-Evaluation

Each year, the Board will conduct a self-evaluation in conjunction with annual strategic planning activities. The self-evaluation methodology will include a staff analysis of all institution, agency and school annual performance reporting, and comments and suggestions solicited from Board constituency groups to include the Governor, the Legislature, agency heads, institution presidents and other stakeholders identified by the Board President. The Executive Committee of the Board will annually develop a tailored Board self-evaluation questionnaire for use by individual Board members and the Board collectively to evaluate their own performance. Annually, in conjunction with a regular or special meeting, the Board will discuss the key issues identified in the institution, agency and school performance reporting assessment, comments and suggestions received from constituency groups, and the self-evaluation questionnaire in order to further refine Board strategic goals, objectives and strategies for continuous improvement of Board governance and oversight. Self-evaluation results will be shared with constituent groups and should heavily influence strategic plan development.

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: III. POSTSECONDARY AFFAIRS
M. Accreditation **March 2008**

M. Accreditation

1. Recognized Accrediting Agencies

   The State Board of Education only recognizes accreditation by the six (6) regional accrediting associations and those national accrediting associations which are recognized by the U.S. Department of Education. The six (6) regional accrediting associations are:

   Middle States Association of Colleges and Schools
   New England Association of Schools and Colleges
   North Central Association of Colleges and Schools
   Northwest Association of Schools and Colleges
   Southern Association of Colleges and Schools
   Western Association of Schools and Colleges

2. Recognition as Accredited Institution

   Any institution that wishes to be recognized as an accredited institution must submit to the Executive Director at least ten (10) days prior to a regularly scheduled Board meeting documentation showing its accreditation status with an accrediting organization recognized by the Board. The Executive Director is responsible for verifying the institution's submission and making a recommendation to the Board.

3. Institutional Reports

   Institutions under the governance of the Board shall update the Board as to the content and status of their self evaluation and provide the Board with opportunities to participate in the process as appropriate. A copy of the Northwest Commission on Colleges and Universities (NWCCU) accreditation self-study completed by an institution under the governance of the Board shall be submitted to the Board's Executive Director at the same time the report is forwarded to the NWCCU. Prior to a formal NWCCU accreditation visitation to an institution~~ (5 year and 10 year visits)~~, the institution president will notify the Board's Executive Director of such visit and schedule a time and place for Board representation during the visit. At a minimum, the Board's Executive Director (or designee) and three Board members shall meet with ~~visit~~ the NWCCU ~~self-study~~ evaluation team during the accreditation site visits as deemed appropriate by NWCCU. ~~each ten year visitation to an institution. Board member participation for the five year visits will be determined by the Board's Executive Director upon consultation with the NWCCU review team.~~ A copy of each corrective action progress report submitted to NWCCU by an institution will also be forwarded to the Board's Executive Director at the same time the report is sent to the NWCCU.

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: I. GENERAL GOVERNING POLICIES AND PROCEDURES
SUBSECTION: A. Policy Making Authority **August 2006**

5. Adoption, Amendment, or Repeal of Board Policies

   a. Board policies may be adopted by majority vote at any regular or special meeting of the Board. The adoption, amendment, or repeal of a Board policy may be requested by any member of the Board, the executive director, or any chief executive officer. Persons who are Board employees, or students or student groups, must file a written request with the chief executive officer of an institution, agency or school, or his or her designee, to receive Board consideration. An Idaho resident, other than those described above, may file a written request with the executive director for Board consideration of a proposal. Regardless of the source, a statement of the proposed adoption, amendment, or repeal must be presented to the executive director for transmittal to the Board. If the subject matter of the presentation concerns an agency, institution, school, or department of the Board, the executive director will also notify the appropriate chief executive officer of the nature of the request.

   b. Board action on any proposal will not be taken earlier than the next regular or special meeting following Board approval for first reading. During the interim between the first reading and Board action, the chief executive officers will seek to discuss and review the proposal with faculty, staff, or other Board employees and students or student groups, as appropriate. The chief executive officers will transmit summaries of oral statements and written comments on the proposal to the executive director. After thorough consideration, the proposal will be presented by the executive director to the Board for action.